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WEEKLY NEWSMAGAZINE

Maclean's

1996

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Canada's next billionaire

Among investors, he is best known as the stock promoter behind the Rosey's Bay nickel discovery. Bill Robert Freedland's merciful destiny, in his own mind, is so much bigger. Today, he runs nothing less than an international corporate empire.



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Of bad blood and blame

A court battle began over what the public could hear about the United blood scandal. At issue was the right of a commission of inquiry to name names.



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As head of Atlantic Communications Corp., Canada's largest entertainment empire, Robert Lantos is riding high.



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A raft of contradictory studies leaves people confused over fitness, even as U.S. and Canadian officials prepare to release new guidelines.

COURTESY PHOTO OF ROBERT LANTOS

From The Editor

The devil is in the cutbacks



Gold at the elegant and very noisy Toronto soiree was being handed for a contribution after the black-clad dancer at the opening of the Shaw Festival last week—by a very prominent supporter of the Stratford Festival! But at least was the hour as the eleven in Niagara-on-the-Lake, Ont., as the befuddled and hooded guests to the theatre for the season premiere of George Bernard Shaw's *The Devil's Disciple*. Such is the mean condition of the orders of Canada—a culture that a little hard-easing among

friendly revs can go a long way these days. As gourmets come back these hunting of the arts, the competition for money to eat dinner has heated up. Away from the bright lights of the big (television) screens, the restaurant critic's punch is even more acute, as symphony orchestras struggle for survival, small airlines turn off the lights and restaurants appear to revert to mercifully articulate and educated wait staff. Ironically, for an industry that employs more than 400,000 people and has annual revenues of more than \$10 billion, the arts are facing a major crisis.

Gordon Rand at
Belvoir: the gift of performance

To be sure, the arts face the same challenges as every other part of society. Federal spending has been cut across the board.

Newsroom Notes:

Striking the mother lode

This week's seven-page profile, the controversial subject struck a mother lode of media, is Jennifer Welch's third. An award-winning business day-morning personality on CBS-TV, Welch began her MacLean's 17 years ago as



moving through the ranks of the Canadian magazine industry, she returned to Maclean's as National Business Correspondent. "I've followed Freedland for years," says Wells. "He's conversationally engaging, financially brilliant and unlike anything I've seen before." Senior Editor Ross Loveridge has the cover report.

B.C. election coverage

The current issue went to press two days before this week's election in British Columbia. A full report on the outcome and the new government will be carried in next week's edition.

D e m i M o o r e

SOME PEOPLE

GET INTO

TROUBLE

NO MATTER

WHAT

THEY WEAR.

While Ottawa plans a 42-per-cent cut (or \$70 million) in grants to cultural industries in the four years ending in 1998-1999, the average cut for all industries is 60 per cent. And there has been a domino effect at all levels of government, as provinces and municipalities are cutting back their spending on the arts.

The effect has been mainly beneficial. It has drawn many artists out into the cold. And it has ushered in a new era of commercialization of the arts. Corporations are stepping forward to underwrite buildings and programs, in return for getting their logos or names on a building or a program. Some foundations are scrambling to establish endowments. Artistic directors are scaling back their programs, often presenting less challenging fare in the hopes of attracting larger audiences. N. Stratford, Richard Moxley, an outstanding actor in his own right, is more accustomed these days to using his bearing baritone in fund-raising pitches. He is also helping to cut overhead by getting in to direct fully four plays this season, in addition to his overall responsibilities as the festival's artistic director.

Richard Dredge, confronting his own demons and British military history in the American colonies. Only a few years ago, Gordon Read, a Niagaran-on-the-Lake native, was working in the kitchen at the Shaw Festival. As he took his turn in the kitchen, he sawed a spruce cleaver.

Robert Lewis

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The Mail

Educational choices

Let me see if I have this education stuff worked out. "Brave new schools," Cover, May 20. First, we have provincial government that blatantly promote a corporate and economic agenda while at the same time withdrawing massive amounts of money from both the education and social programs. Then, we have the parents, many of whom formulate criticisms of education based on their own educational experiences, which have little relevance to the Natives generation that populates our schools. Next, we have the teachers, who are fast becoming the group with the least power of all. Apparently, we make too

tertive technology. They also lead far more complicated lives, with less support than we have. We must make major changes to accommodate them. My hope is that we can get past this current stagnation of blame. The answer lies in the future, not the past.

Mark Malick
Gatineau, Que.

Five schools about brave new schools. Yet, with regard to the Sheila MacLean College School ("Discipline rules"), it does not take a lot of bravery to teach when the student-teacher ratio is 3:1. Small classes seem to be a universal feature in private schools. Yet some crassly pro-public-school reformers claim that class size doesn't make a difference.

John Korn
Toronto, Ont.

I was glad to see you focus on some of the positive programs that are helping our children. One that you did not mention is a program called Rainbow. It offers peer support to children, adolescents and adults who are experiencing a loss, the tough death, separation, divorce or change in their family, and is operated across Canada by a team of trained and dedicated Rainbow volunteers. I am proud of my colleagues and the work they do. Perhaps if our critics looked into the time we save over these challenges, they would give us the respect we deserve. Quite possibly, the idea of respecting adults might filter into our children's lives as well.

Linda Bailey
Ainsdale, Alta.

A little math will tell you that the cost per hour per child in a class of 28 students for a teacher who makes \$50,000 a year, teaches 180 days, 7 hours a day is \$1.50. This is a bargain for nurturing, counseling, child care, parenting—and teaching.

Gloria McCas
Lethbridge, Alta.

'Glad to be alive'

Your article "Dying by choice" once again raises the sticky issue of doctor-assisted suicide. Gilt, May 20. I had a stroke 10 years ago and could have been led to death. I am alive today because of the efforts of the medical profession. I

Divine intervention

I have developed a weird ritual, since I started, of rushing to the Mail section of the latest Maclean's to read the continuing responses to "Is God a woman?" (Cover, April 8). Thank you for printing an article that has stimulated a lot of thought and conversation on the issue of spirituality. I am disappointed, however, by the number of responses that have reflected a battle over the literal interpretation of Christianity's gender. Of course, divinity transcends the limited viewpoint of whether or not it has a penis or a vagina (and did Adam have a belly button?). I would be more encouraged if people focused on the statement made in the article that when one begins to change the language one uses to describe and relate to divinity, the very structures of traditional Christianity begin to crumble.

Marilyn Buddagh
St. Catharines, Ont.

don't remember four months ago, was led through a tube for eight months, was hospitalized for one year and was in a wheelchair for a year and a half. I can speak understandably only with the wrinkle of sentences and need a computer to communicate effectively. Yet I am glad to be alive.

Mike James
Brampton, Ont.

A wake-up call

Once again, we Canadians can see how far our own country have moved in either Dorothy Jordon's attempt to kill her husband, Earl ("Dorothy Jordon's nightmare" ends), Canada, May 20. It appears all one has to do is to acquire in today's society is claim abuse, or worse, "I do not recall that I ever hurt him." It is time that Canadians quit blinding society for their personal problems and do their time in jail, as they deserve.

Karen Hall,
Vancouver

Conservative cure

The May 20 column by Diane Francis contains several questionable interpretations of the causes and effects of events over the past few years ("The challenge facing sensible cancer survivors"). They are not so much wrong as they are narrow and simplistic. I assume she was establishing a historical and social context for the Wings of Change symposium whose purpose is to "come up with ways to politically accommodate the



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THE MAIL

abandonment of the welfare-state mentality." If her comments reflect the theoretical foundations of the symposium's attendees, I shudder to think of the resolutions that will result. Smallicious conservatives often try to find legitimacy for their economic agendas by proposing simple solutions to complex problems, but these "cures" usually leave pillars of human life along the way.

Timothy Eaton
Professor

Counted blessings

It is understandable that with all the cuts that Ontario's Tory government have made in the past year, people are going to be a little upset ("Fix it or forget," *Carole, May 30*). However people have been literally whining to get a tax break, and now that they finally do get one, they are still upset. Canadians should be glad to have the system we do. We have mediocre and relatively cheap postsecondary education, but they want more for less money. Yes, university will cost more this year, but compared with some other countries, it is still better. I totally agree with what the government has done, hard times call for hard measures.

James T. Ahdaliak
Minneapolis, Minn.

Disaffected Canadians

Date great exception to Andrew Phillips' assumption that English Canadians harbor "affection" for Quebec Premier Lucien Bouchard. ("The Other Side of Us," *A Fresh Start*, May 13). Mr. Phillips draws his conclusion from the sympathy expressed for Mr. Bouchard over the life-threatening illness. Personally, I was shocked and saddened to hear of his illness, but this was out of a sense of compassion for another human being in crisis. I can never feel "affection" for someone who works to breakup Canada.

Johnna Powers
Vancouver, B.C.



The Road Ahead

Unity and communication

If the goals of national identity are to be believed, seven months after Quebec's sovereignty referendum, the country continues to teeter on the edge of fragmentation. In a veritable words associated in recent history, threats, threats and charges fly back and forth over our own version of the Berlin Wall (literally not physical) on the Ottawa River.

The recent kerfuffle over a proposal to call Quebec "The Foyer précapital" (metonym of French language and culture) seems to make it crystal clear that social districts is the only term Quebecers will accept to describe their province. And thereby hangs a tale.

When the western Canadians treat that term, they understand it to mean continued economic exploitation of the outlying regions of the country in favor of the oil-rich-to-Wisdom industrial heartland. Paying transport costs both for eastbound resources and westbound manufactured goods is a long-standing grievance. In a wealth grab worthy of the ancient Roman empire, probably at least \$100 billion was plundered from the oil-producing provinces, chiefly Alberta and British Columbia, by the National Energy Program. The western Canadian is fed right up to the low with being exploited.

Ron Carlson,
Abbotsford, B.C.

Shooting star

Director-screenwriter Mary Harron, commenting on her new film *I Shot Andy Warhol*, states that Valerie Solanas, who attempted to murder Warhol, was a "bifurcated political theorist" and that her views "would make her a star today" ("Warhol's sensibilities," *People*, May 13). The grim truth is that she is probably right. When somebody

on the other hand, if I comprehend correctly, when the Quebecois uses the term social districts, he is talking about something completely different. He means control of immigration into Quebec, authority over education including mandatory training, and establishment of the French language at the admittedly high cost of restricting the rights of minorities. He is not thinking about economic exploitation—in fact he feels that he has been exploited in favor of Ontario and a ruling class of精英es. Viewed in this light, social districts is almost the Quebec regional equivalent of western alienation.

This constitutes an enormous communication problem between Quebec and the West, perhaps the Maritimes also. We face perhaps the most important choice in our history: either finding the will and determination for building a new Canada, one of the noble attempts at nation-making, or simply letting our eastern home like quarelling children to construct a will around a geographic or social entity we hardly imagine to be homogeneous. We must all start saying what we mean and meaning what we say. If we do, we may find that Canada can still be a home for us all.

The Best Award entries receive an advance specialty edition to benefit artistic and economic production; unsolicited submissions may be returned or require return postage or appear as exhibits without fee.

gets a putdown put on the back for writing that all men should put to death for the crime of possessing a Y chromosome, then we have a problem. And here's the rub: Genocide is not funny. Perhaps if I were to write a light comedy about the Holocaust, I would be able to figure out Harron's sense of humor.

David C. Wright
Writing 26

Maclean's

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Another View



Charles Gordon

The Horse Network is no longer a joke

Whenever there is a lull in the proceedings, someone comes along and proposes more channels for our television sets. It used to be a big deal when this happened. That was when we could count the number of channels on the fingers of two hands and perhaps one foot. But technology has moved past that, and so, as it turns out, have we. The thought of more channels once could divert us from the more serious matters at hand. But it won't work this time.

If you believe in conspiracy theories, as of course some of us do, you might think that modern capitalism has conspired to give us more television channels to disguise the fact that it is giving us fewer jobs.

Not that anyone believes in conspiracies. Everybody knows that the market has a mind of its own and everything it does ultimately benefits us all. We read that in the Report on Business every day. Still, there is a lot of unemployment. And there are a lot of choices.

A couple of issues ago, this magazine gave us the latest roundup on the 100-channel universe, or the 500-channel universe, or however many hundreds we are up to by now. The CRTC was hearing 50 proposals for new channels. The new channels would be increasingly specialized. Everyone knows about The Horse Network by now and treats it as a joke, or at least a metaphor for silly television channels. But there are also certain channels proposed, and come mystery and science fiction channels. So horses aren't that out of line, and dogs will be next and cows and quilting. The Scary Channel, a specialty service for people with no windows, can't be that far in the future.

You will remember the mighty howl that went up last year when the cable people tried to charge us for new channels without giving us a clear choice as to whether we wanted them or not. That should have been a signal to the industry that the people were changing, but they wanted more out of life than more channels. Instead, the signal was misinterpreted. The industry thought it meant that Canadians were deeply engaged in the question of what they would be watching. They thought it meant that television was about the most important thing on Canadians' minds. What it actually seems to have meant, in retrospect, is that Canadians had reached their channel limit.

This becomes clearer now in some of the coverage of the current channel fiasco. A survey taken by the Canadian Cable Television Association shows that 50 per cent of cable subscribers think they already have enough channels. More significantly, another 20 per cent say they already have too many channels. Too many, and we haven't reached our first hundred yet.

If there were conspirators in the marketplace, and as one be-

lieves that there are, they are dismised to fail.

The powerful lesson of all these channels is just now being driven home. It is that there is nothing on television. For years, television viewers and those who had hope for television as something other than a toy managed to convince themselves that television's short attention spans were the result of a lack of choice. Now, there is choice and lots of it, although there are five gaps in such areas as polo and Northern European chess. We can watch anything. And what is happening?

No one is watching. Do you watch television any more? Do you know what is on? Do you watch the CBC news? Seriously. Don't say yes just because you think you should. Do you watch as many baseball or hockey games as you once did? Can your daffy dog, between *Beverly Hills* and *Showtime*, tell the difference? Do you pass up all those movies, skip the sci-fi? Do you somehow not get around to taping shows you had to miss? Do you forget when *Seinfeld* is on?

In a short burst, television became irrelevant to you. If it has, you're not alone. As television comes closer and closer to fulfilling the potential that was predicted for it, viewers are coming to realize that it doesn't say anything to them.

More channels? More reruns. More old movies. More bad new ones. More advice. More talk. More animals in their native habitat. More devices for your abu. More American stuff, except when the new channel has artistic pretensions. Then more British stuff. More Australian stuff. More stuff we can live without.

What will become of us all when, very soon, we collectively arrive at the conclusion that it doesn't matter how many channels there are, that there will never be enough and there be too many?

Well, we will have to do something else. Some are already turning to the Internet, a place with an infinite number of channels. But even there the sensation of flipping through the dial, only using a search instead of a slider, will wear thin. There is only so much information one can absorb. There are just too many mouse clicks our index fingers are capable of. There is only so much downloading we can do.

Eventually we will tire of it, and seek an alternative. Then, we will lift up our heads from the screen and emerge, blinking in the daylight, to see what is available in the real world. And that's when we find that it has all been shut down, in order to get that dark dialer under control.

No theater, no zoo, no museum, no wading pool, no festivals, junior leadership, no school trip. Admission fees for stuff that used to be free. And, of course, no jobs. The quality of life has been deteriorating rapidly, while our attention was diverted. If we'd been watching TV all the time, we would have noticed. Now, we're not watching TV. Hear us roar.

Opening Notes

Edited by BARBARA WICKINS



Garneau's second flight into history

It has been nearly 12 years since he last orbited Earth, but Canadian astronaut Marc Garneau showed last week he has not lost his feel for space. While aboard the shuttle Endeavour, Garneau, 47, skillfully operated the Canadian-built Canadarm remote manipulator to deploy and retrieve an American satellite with an inflatable antenna. "It is almost as



Bruce Garneau
astronaut and
aviator

fluent as it was," says Garneau, who has been funded by Coca-Cola but returned to NASA as a "bad generic programming sequence"—originally designed only as a fancy screensaver for Coke. Garneau and fellow astronaut Don Pettit eventually fixed the dispense, and the space-based test got the thumbs-up, whatever way "up" test space.

Honorary degrees of distinction

in alphabetical order of recipients of the year's honorees

Alex Baumann, Sudbury, Ont., swimmer who broke five world records and won two gold medals at the 1984 Olympics (Laurier University, Sudbury, Ont.)

Bob Galtney, National Hockey League veteran and Peterborough native who suited up for the Stanley Cup championships with the Montreal Canadiens (York University, Peterborough, Ont.)

G. Scott McIntyre, president and publisher of Vancouver-based publishing firm Douglas &

teases of your body," said the Quebec City native of the Canadair. "It's a real pleasure to use. It was one of dozen of dreams the woman crew was to perform before touching down this week in Cape Canaveral, Fla. Along with crystal growth, bioregenerating and navigation experiments, there were two designed by young Canadians. One, prepared by students at Saskatoon's College Park Elementary School, tested at the diffusion of liquids in weightlessness, while students at Toronto's Macmillan Collegiate had the astronauts testing how the near-absence of gravity affects throwing an. But a controversial experiment nearly

failed.

A \$1.5-million soft-drink machine funded by Coca-Cola but returned to NASA as a "bad generic programming sequence"—originally designed only as a fancy screensaver for Coke. Garneau and fellow astronaut Don Pettit eventually fixed the dispense, and the space-based test got the thumbs-up, whatever way "up" test space.

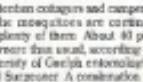
McIntyre, Simon Fraser University, Burnaby, B.C.)

Angus Reid, founder of the Winnipeg-based Angus Reid Group Inc., a prominent polling firm, (University of Manitoba, Winnipeg)

Dr. Michael Smith, a University of British Columbia biochemist and recipient of the 1998 Nobel Prize in chemistry, for developing the ability to alter genetic information in living organisms. (University of Alberta, Edmonton)

Putting a sting into spring

A dozen colleagues and campers. A dozen mosaics are coming, and plenty of them. About 80 percent more than usual, according to University of Guelph entomologist Gord Sargeant. A combination of spring rain and slow melting snow in many parts of the country has created ideal conditions for the little bloodsucking snowmelt pools, a stagnant haven where they can breed and mature for as long as they need. There are two different species of conifer-eating mosaics, says Sargeant, who has studied the insects for 20 years. One is the June bug blitz, when they descend for a month of fever feeding and then die off. The second occurs during rainy summers—a banner of disease that can last well into autumn. While it is too early for Sargeant to say which kind of mosquito season will prevail this summer, he cautions the mosquitoes will be out in increasing numbers in July. Says our guru: "Don't be foolish and go in the woods wearing shorts."



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—By Jim Sillinger

(Guelph, Ont.)

Photo: Gord Sargeant

Home on the mall

It was a daunting task for an architect: design a building for the last available site on Washington's prestigious National Mall, a gathering of art galleries, museums and historical institutions. Yet that's what the building is—the National Museum of the American Indian, east of the Lincoln Memorial. The red whale conveying native American culture's difference from the rest of Western civilization. On May 18, the U.S. Capitol's Commission of Fine Arts decided that Canadian architect Douglas Cardinal's proposal met such criteria and unanimously selected his concept for the structure. Ottawa-based Cardinal—who consulted with tribal elders from across North America—is best known for his design for Canada's National Museum of Civilization beside the Ottawa River in Hull, Que.

The \$40-million museum is scheduled



An artist's illustration of new mosaic. Nowing

to open in 2003—the year designated for honoring the U.S. federal budget. And that conveniently may prevent some problems. Congress, then controlled by Democrats, voted financing authority for the museum in 1989. But later on, a Republican majority has been inclined to pitch the public purse for the arts. Now, Cardinal is accustomed to overcoming budget difficulties. His Hull museum, originally allotted \$60 million by Parliament, cost \$250 million to complete in 1989.

Feuds to remember

In 1929, the Senate Protective Services took over security for the Senate side of the Parliament Buildings. At that time, there were only three guards, each working eight hours a day, seven days a week. Now, there are 78 personnel who, although remaining unarmed, rely heavily on modern technology. To commemorate its first 75 years, the Service is releasing a 190-page history in which the author, named sergeant Frank Ross, shows how the Service's roles have changed. Until 1960, drivers came from Newfoundland and Quebec who volunteered to be hired in Senate committee rooms, not sometimes they got paid for work. "They were a menace to the democratic court," says Ross. "A committee would have gone to bed and try to knock things up." Maybe things haven't changed that much—interactions between legislators (politicians) in still part of the job.

BEST-SELLERS

FICCTION

1. **The Rum Diary**, John Grisham
2. **The Truth About Love**, Anna Quindlen
3. **The Collector's Revenge**, James Michener
4. **One Day in December**, William Styron, Jr.
5. **Andy Gold**, Edie Baskin
6. **Saints**, Agapios, Doro Lanning
7. **The Debt**, Edith Pearlman, John LeClair
8. **The Reincarnationist**, Claudia Grey
9. **Her Other Blues**, Barbara Taylor Bradford
10. **Two Rivers**, Sue Monk Kidd
11. **The Golden Compass**, Philip Pullman

NONFICTION

1. **Red China Blue**, Wang Yaping
2. **Boys, Boys & Boys**, John Foyl
3. **Shame Abroad**, Steven Okun
4. **In Command**, Christopher Stokes
5. **Bad in Welfare State**, Dennis Edwards
6. **On Higher Ground**, William Gardner
7. **With a Little Help From My Friends**
8. **Hitler's Willing Executioners**, Daniel Goldhagen
9. **Emotional Intelligence**, Daniel Goleman
10. **Ties and Choices**, Jim Campbell

Compiled by Brian McNaughton

Portrait of a paddler



Jim Rafferty
Author of *Fire in the Blood: Bill Mason and the Canadian Canoeing Tradition*, is a touching, insightful and entertaining portrait of boy friend and fellow canoeist Mason, who died of cancer in 1988 at the age of 55, as well as a 1980s icon of the Wild West, environmentalist and master canoeist.

POP MOVIES

Smash hit probable



Tom Cruise both stars and has his producing debut with the film *Minority Report*. Director Steven De Palma brings the action thriller—based on the popular 1985 television series of the same name—to the big screen with an international cast, it was filmed in London and Prague with a multinational cast. Special effects, non-stop action and a popular theme song likely spell box-office hit.

Tom Cruise is *Minority Report* to box-office strength: the movie doesn't need to be May 24, US box office numbers of administrators showing:

| | |
|------------------------------|-------------|
| 1. <i>Minority Report</i> | \$4,255,469 |
| 2. <i>Warrior Impossible</i> | \$4,205,588 |
| 3. <i>Minority Report</i> | \$4,191,588 |
| 4. <i>Minority Report</i> | \$4,025,588 |
| 5. <i>Minority Report</i> | \$3,951,588 |
| 6. <i>Minority Report</i> | \$3,904,588 |
| 7. <i>Minority Report</i> | \$3,871,588 |
| 8. <i>Minority Report</i> | \$3,849,588 |
| 9. <i>Minority Report</i> | \$3,842,588 |
| 10. <i>Minority Report</i> | \$3,839,588 |

Compiled by John K. Koenig

Passages

WDN: By NBA superstar Michael Jordan, 35, his fourth most-valuable player award, increasing his record 95-5 per cent of time, according to 1,133 sports journalists. Jordan's ave annual salary after he demanded \$49 million for the next two seasons, a salary that would still leave him below the earnings of several other players.

Meanwhile, a 20-year-old man received a life sentence for killing Jordan's father, James Jordan. Jordan was shot from a car in his parked car in North Carolina in 1993. A 21-year-old has also been given a life sentence in connection with the murder.

DIED: Lt.-Gen. Michael Davis, 78, whose pseud-military reputation was later tarnished as head of the RCMP's security service during its 1970s era of dirty tricks, in Victoria. A Second World War winner of the Distinguished Service Order, Davis later headed the Canadian UN peacekeeping contingent that helped end the 1995 Suez Canal crisis. While vice-chair of defence staff, he handled military operations during the 1970 October Crisis. In 1973, Davis took over the security service, which a royal commission later concluded deliberately misled its political masters about questionable operations.

DIED: Longtime outspoken right-wing Terry M. Williams Kemping, 73, who represented Burlington, Ont., from 1972 to 1993, of a heart attack, at his home.

WDN: The world's richest prize for a single work of fiction, the first annual \$200,000 Dubinsky Literary Award, by Australian David Malouf, 62, for *Middlemarch* (Bodley Head). The 19th-century tale of an English boy raised by Aboriginals. The award is sponsored by a productivity improvement company for a work in English or Irish.

DIED: Actor John Pertwee, 76, former star of the British science fiction TV series *Dr Who*, which achieved international cult status through sales to broadcasters in nearly 60 countries, in his sleep, while visiting friends in Connecticut.

DIED: Actor and director Robert Christie, 82, best known for his portraits of Sir John A. Macdonald on stage, radio and screen, in Toronto.

MARCELLE SOUNDE 3, 1999

Of bad blood and blame

BY D'ARCY JENISH

Jane Conner sat in the corridor outside a downtown Toronto courtroom, talking about her late husband, Sandy. It was, she noted, the day that he would have celebrated his 90th birthday. However, Sandy died in September, 1994, at the age of 59 after a protracted and painful battle with AIDS. A severe hemophiliac, he was one of the more than 1,000 people infected in the late 1970s and early 1980s with the human immunodeficiency virus, which causes AIDS, after receiving tainted blood or blood products from the Canadian Red Cross Society. As she spoke, Conner's 10-year-old daughter was present. "This is not where I thought I'd be on my 40th birthday," said Conner, who herself contracted HIV through her husband and has developed AIDS. "I need to be in that courtroom to best witness for him. I want all those lawyers to have to walk by me every single day."

With that, she returned to the courtroom and resumed her vigil over the epic legal battle that began last week in the Federal Court of Canada, a battle that may determine how much the public eventually learns about the country's tainted blood legacy. For the past two years, surviving victims and their families had hoped that a federal provincial inquiry, under Ontario Court of Appeal Judge Hense Kremers, would explain how the blood supply became contaminated and, equally important, who was responsible. But last week, lawyers representing, among others, the Red Cross, the federal government, six provinces and 31 former health ministers, began arguing before Justice John Richard that Kremers should not be able to name anyone or assign blame to any person. To do so, said Red Cross lawyer Earl Chernak, would turn an inquiry into a trial and violate the rights of those organizations and individuals. "We are not trying to deter, hinder or stop the inquiry," Chernak said. "It is unnecessary to make direct findings of fault against institutions or individuals."

While the legal arguments were scheduled to end by May 30, some observers predicted that the dispute will delay the completion of Kremers' report for months—and perhaps for years. The Toronto-based inquiry, which has cost more than \$25 million so far, concluded two years of public hearings last December after travelling to every province except Prince Edward Island, and after hearing testimony from 460 witnesses. Kremers intended to complete his final re-

port, including recommendations for an overhaul of the blood supply system, by September but representations of the victims' product that emoji if Richard rules against the Red Cross and the government, they will likely appeal all the way to the Supreme Court of Canada. "The whole intent of their actions is to derail the final report," said Durham-Wong-Jones, president of the Canadian Hemophilia Society. "It's frustrating."

Representatives of the Red Cross maintained that they cooperated fully with the Kremers inquiry during the hearing phase. And they insisted that they were prepared to accept a final report that was critical of the blood-handling system as it was set up in the 1980s when the problems occurred. But they said a public inquiry should not result in accusations of misconduct that could leave individuals



Githenhouse, R., with daughter Leslie, outside court today

open to civil suits or, worse, criminal prosecution. "There are individuals who the Red Cross and other organizations whose reputations are being impeached," society president Janet Dividish told Maclean's. "There has been no due process in the courts to determine whether these people took specific actions that harmed the lives of others."

The concerns about civil or criminal liability are based on a series of formal advisory letters, known under the inquiries Act as notices, sent by lawyers for the inquiry to dozens of individuals last December. The notices, which were intended to be confidential, stated that Kremers could potentially make findings of misconduct in his final report. They also give the individuals and organizations named an opportunity to respond to the allegations, orally or in writing, by early February. Rather than accepting that offer, the Red Cross, along with Ottawa and all the provinces except Nova Scotia, Ontario, Saskatchewan and British Columbia, decided to ask the Federal Court to overturn the notices. But in launching a legal action, they had to file the confidential notices with the court, meaning that they become public documents. As a result, the Red Cross included its notices in a press release it issued last January in which it announced the court challenge. "We put them out to avoid the appearance that we had to have them pried out of us," said Red Cross secretary general Douglas Lamont.

The notices sent to the society run to 25 pages and include details of allegations against the organization and 45 individuals employed by the Red Cross when the contamination of blood supplies occurred, including former secretary general George Weber and his former deputy Dr. Roger Perrault. Inquiry lawyers claimed that problems with the organization's donor-screening program between 1982 and 1985, when donor screening started that the AIDS virus could be transmitted through blood supplies, and November, 1985, when the Red Cross began screening every unit of donated blood for the presence of HIV. As well, the society waited until 1987 before it began actively re-

aching high-risk donors, such as homosexual men with multiple sexual partners. "The Canadian Red Cross failed to implement an effective national donor screening program, thus failing causing unnecessary cases of transmission-associated HIV and AIDS to occur," the notice to the Red Cross reads.

Commission lawyers concluded the notices to the Red Cross by filing allegations against individual doctors who had blood collection centers in major cities across the country. That accusation of the doctors of "negligence" is to contrast organizations representing them with requests that their members abstain from donating blood. More seriously, they allege that in mid-1985, while the Red Cross was switching to blood products that had been heat-treated to kill the AIDS virus, some doctors continued to issue non-heat-treated products to hemophiliacs "as part of a planned defiance" of their instructions.

In his arguments before Federal Court Judge Richard, which lasted almost three days, Chernak argued that the use of the term "blamed negligence" suggested a conspiracy had occurred among the medical directors of the collection centres. He also objected strenuously to allegations that some senior Red Cross officials had misrepresented safety policy on donor screening during discussions with other agencies involved in the blood collection system. And he maintained that commissioners lawyers should not have accused the organization of withholding information about the effectiveness of heat treatment. The allegations imply that Red Cross employees were guilty of criminal or civil wrongdoing and, if accepted in Kremers' report, would ruin the reputations of those individuals, he said. "The Red Cross names are implicated with very serious charges," Chernak said. "What the [Kremers] ought not do is make findings that these were misrepresentations. That is what courts and juries are for, not commissioners of inquiry."

According to outside legal experts, however, legislative guidelines and restrictions on public inquiries are not that clear-cut.

Kremers, 'in the process'



The whole intent is to derail the final report. It's frustrating.

Commission lawyers sent out the notices in accordance with Section 13 of the federal Inquiries Act, which stipulates that an individual must be notified if he or she is going to be accused of misconduct, and must be given an opportunity to respond before a report is issued. Kent Roach, a law professor at the University of Toronto, notes that the legislation does not define misconduct, which could range from a violation of professional ethics all the way to serious criminal activity. Given those ambiguities, and the potential for abuses, Roach contends that public inquiries should avoid naming individuals. "They don't have the due process people are afforded in criminal trials or civil litigation," he said. "Public inquiries are best at finding facts and making recommendations for the future."

On the other hand, Robert Ratner, a professor of public law at the University of Ottawa, contends that public inquiries can, and should, make findings of misconduct and name the individuals responsible. Kremers cannot accuse someone of criminal or civil wrong, but he can conclude, for example, that errors of judgment had been made by this or that responsible behavior had occurred. "The purpose of a public inquiry is to have a comprehensive, detailed and impartial examination of the facts in order to restore public confidence," said Ratner.

Representatives of the victims viewed the legal attacks on the Kremers inquiry as an attempt to prevent full disclosure of the facts and said that many fear that they will die before they ever get to

CANADA

lens the truth. "I see this as a colossal waste of time," said Conners, "but most of us don't have." The victims maintain that Red Cross officials are preoccupied with the image of the organization and the reputations of individual employees, rather than the right of victims to know why they got sick and who was responsible. Besides those who were infected with HIV through contaminated blood, an estimated 52,000 people also contracted hepatitis C, an often fatal disease that attacks the liver and can cause severe jaundice, fatigue and hemorrhaging. Several hepatitis C victims attended last week's hearing, including eight-year-old David Gobleshuck of Port Credit, Ont., who received tainted blood during heart surgery when he was an infant. "The real deal of justice is what happened to the victims," said Wong-Roger. "Don't victims have a right to know who harmed them and how they got harmed?" said Kivener's report as to going to be a crippled after I think it's going to be wasted down as body that's going to be meaningless to most of the victims."

Regardless of what Kivener eventually says in his report, it will come too late for the more than 500 victims who have already died. "I just had a friend, an HIV-infected hemophiliac, die two weeks ago," said 34-year-old James Kropfner, a Toronto lawyer who has also developed AIDS as a result of contaminated blood products. "He wanted to see the results of the inquiry. But they've managed to drag things out, so we went to his grave without getting any answers."

For most of the surviving victims, and their families, Kivener's report may offer personal solace, and little else, because they have given up their right to sue in March, 1994, just as the public hearings were about to begin. The provincial and territorial governments, the Red Cross, pharmaceutical companies and insurance companies offered compensation packages. About \$500 of 812 medical professionals and families accepted this offer, which provided \$22,000 in fees, \$600 annually until death, and a lifetime limit of one new benefit for five years afterward, and one of the conditions attached to the packages was that recipients would not pursue future legal action. "I accepted the settlement because my lawyer had decided," said Ronald Mitchell, 36, of Burlington, Ont., 25 km southwest of Hamilton. "I felt forced to take it. I just wish all of this had been over a long time ago."

Some lawyers for victims who decided to pursue lawsuits say that their cases do not regard as Kivener's findings. Toronto lawyer Kenneth Aronson, who represents about 25 such clients, said that the numbers issued by compensation lawyers are not admissible in court trials. Privately, however, some Red Cross officials dispute this, saying that, in some cases, Kivener's policies have been added to statements of claim used to initiate lawsuits. But Aronson insists that he does not accept Kivener's allegations for his next trial, involving the families of two victims who have died and a third who is still alive, which is scheduled to proceed in a Toronto courtroom in September. Each of the plaintiffs is seeking more than \$1 million in damages. "What was a tremendous advantage to the plaintiffs was the information that the compensation turned up documents that were dynamited out of them," said Aronson. "The Red Cross had been able to avoid producing documents for years, and they did it legally. The inquiry, in some extent, has provided a sort of living playing field."

It has also been a public relations nightmare that has contributed to a decline in blood donations and shaken public confidence in the safety of blood supplies. The latest available figures show that in the year ending March 31, 1995, the Red Cross collected 802,300 units of blood from an estimated 650,000 donors, down two per cent from 1,05 million units collected the previous year. Meanwhile, internal public opinion polls by COMPASS Inc., commissioned by the Red Cross reveal a startling loss of faith in the system over an 18-month period starting in the fall of 1994. The first poll showed that 29 per cent of Canadians would not want to have a blood transfusion. By December, 1995, that figure had risen to 38 per cent at its peak level, before tapering down to 36 per cent in March.

These trends have occurred, Dowdall said, even as the Red Cross has taken steps to improve the safety of blood and blood products. She noted that employees involved in the collection and distribution systems must abide by 1,900 standard operating procedures, most of which have existed for several years. But government regulatory agencies in both Canada and the United States now require much more rigorous documentation and adherence to standards. At the same time, the Red Cross has set up stringent

The Red Cross says its blood is as safe as it can be

Spared behind the cage



downstreaming procedures to ensure that numbers of high-risk groups, including intravenous drug users or hemophiliacs with multiple partners, are not receiving blood. "One of the complaints people often raise now is the time it takes to give a unit of blood," said Dowdall. "It used to be that you break your arm and could make a donation and go back to work. That's very rarely the case anymore simply because of the questionable donor."

As a result of these and other changes, Red Cross officials now believe that Canada has one of the safest blood collection and distribution systems in the world. And they did receive a qualified endorsement from Kivener, who issued an interim report in February, 1995. It contained 43 recommendations, including a proposal to avoid locating blood donor clinics in areas known to have high rates of sexual prevalence of HIV and fast hospitals should maintain their efforts to contact former patients who may have received tainted blood between 1979 and 1990. "I am confident," Kivener wrote, "that Canada's blood supply is not less safe than that of any developed nation. There is, however, no justification for complacency." He warned that a tragedy could occur again due to contamination of blood supplies, and stated: "How to minimize the likelihood of such a calamity is the challenge to be addressed in the further work of this inquiry and the final report." But Canadians may never be a long time before that document, and its recommendations, ever see the light of day.

PAUL ELLIOTT FOR STAR/OMEGA



CANADA

Challenging the high price at the pumps

Consumers force an inquiry on the gas industry

It's over—Cruceros' Coalition for Fair Prices at the Pump—is as straightforward as its singular goal: Inflated gasoline prices in Ottawa area five years ago, when springtime prices of gasoline exploded in the Ottawa area five years ago, a small group of consumer activists followed their complaints to the local media, and before long, expanded their informal membership to 500 people. In April, 1995, when prices once again jumped to a high of 60 cents a litre, the group targeted Imperial Oil with a six-week boycott of the company's gas stations and watched as prices in the region tumbled to 54 cents. This spring's price hikes brought a change in strategy.

Discovering that it took only six consumer signatures to force a federal investigation of unfair pricing practices under the Competition Act, the group, which funded its drama through Ottawa Liberal MP Mac Harb, has instigated the first national probe of consumer gasoline costs in a decade. "The highlight of 1995 was a short-term surgical strike to point out that the manipulation of prices, if not illegal, is certainly immoral," coal-

tion spokesman Bernard Maureen told MacLean's. "We say it is now time for corrective surgery."

That is a remedy that neither the Liberal government nor the three major oil and gas companies in Canada appears to think is necessary. Officials from the department

of energy say that a nationwide consumer shopping trip last week would have good results to be skeptical. The petroleum industry is struggling to explain a jump in prices that some analysts estimate to be as much as 17 per cent since January, the highest level since the 1993 Persian Gulf war sent the price of crude oil and gasoline up to a national average of 61.5 cents a litre. Consumer groups note that in Ontario alone, where an average of 32 million litres a day are sold, a one-cent increase tops up daily receipts by \$320,000. Faced with competition, industry officials note that a litre of Canadian gas costs little more than a third as much as in Europe—and half as much as a litre of milk or soda pop.

"When there is a frost in Florida and the orange groves all get hit, suddenly bats an eye at paying three times as much for orange juice," said Maureen McNaughan, a market analyst with the federal department of natural resources, which tracks

THE MONEY PUMP

Who reaps the benefit from high gasoline prices? Across Canada, taxes account for about half of the May 7 average pump price of 61.5 cents a litre.



Filling up in Calgary: as much as a 17-per-cent increase since January

strengths of industry and natural resources privately that the inquiry by the federal Bureau of Competition Policy, launched on May 17, is unlikely to uncover a smaller conspiracy by the oil companies to fix pump prices that often fluctuate in season according to gas supplies and the time of year. In fact, as recently as May 7—just as the national average of gas prices peaked at 61.5 cents a litre—the bureau's director, Trevor Andy, who will conduct the investigation, assured MPs during a House of Commons hearing that similar gas prices were "the normative of a competitive

marketplace." In turn, the petroleum industry insisted that many factors, including depleted gasoline reserves and an unexpectedly cold winter, stretched oil supplies, complicated by increased group buying. Said Lee Braden, executive director of the Petroleum Conservation Foundation, a Calgary-based public resource group funded by the industry: "The fact that prices are volatile is the main indication that there is no collusion."

Despite those assurances, Canadian consumers on a nationwide comparison shopping trip last week would have good reason to be skeptical. The petroleum industry is struggling to explain a jump in prices that some analysts estimate to be as much as 17 per cent since January, the highest level since the 1993 Persian Gulf war sent the price of crude oil and gasoline up to a national average of 61.5 cents a litre. Consumer groups note that in Ontario alone, where an average of 32 million litres a day are sold, a one-cent increase tops up daily receipts by \$320,000. Faced with competition, industry officials note that a litre of Canadian gas costs little more than a third as much as in Europe—and half as much as a litre of milk or soda pop.

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БЪЛГАРСКИ БЪЛГАР, ЧЕВОК

CANADA—

trends in the oil and gas industry. "But if a cold winter drives the price of crude oil up, nobody can understand why we have to pay more."

Substantiating allegations that consumers are being bilked at the pump has proven to be difficult. In 1986, the last time the federal government investigated gas pricing, the Restrictive Trade Practices Commission concluded there was no evidence of widespread price manipulation. Despite as many as 300 inquiries a week during periods of high gas prices, the Competition Bureau, or Ontario's few levers on the oil and gas industry have been few.

industry since federal deregulation in 1982 has, in success since re-
gulation was virtually
abolished, shrunk the
industry. In fact, the oligarchs led by the Chi-
cagoans' Coalition that
have provoked yet another
monopolization echo
the same areas of con-
tention studied year after
year: identical prices
among retailers that
have risen in unison
and a gap between high-
er and later-rising con-
sumer gas prices and
underlying world crude



Is it a competitive marketplace?

**Documenting
what people are
being bilked
has proven to
be difficult**

any costs arising from regularizing the international market. Declared: "Consumers should not have to pay penalties the industry makes in the regulation game." For some consumers, though, it is not a question of paying—but getting the industry to tank. On a recent weekend during Ottawa's longest tourist period—the annual tulip festival—Maureen and her fellow members of Citizens' Coalition spent their time pasting anti-blossom bills at roadside billboards pasted outside service stations for price of price collusion. It has become, they say, that they will not easily accept.

THE EDITION in China

Riot squads on the waterfront

A week of protests ends with a deal

The postcards on sale in the souvenir shops of New Brunswick's Acadian Peninsula picture quiet, tranquil fishing villages. The reality is different, increasingly, the newest images from the region feature mobs, vandals, riot squads and tear gas. Last week, after a winter of protests against the federal government's unemployment assistance reform, violence erupted again in northeastern New Brunswick, this time over crab fishing quotas. On Victoria Day evening, up to 75 protesters in Canapet, three weeks and rods at the house and office of New Brunswick Fisheries Minister Bernadine Thibault. They then moved on to nearby Shippagan and Tracadie where they were met down by RCMP riot police. The next night, the situation worsened—police used tear gas to turn back a second crowd of 800. "She was bad last night—very bad," said RCMP Staff Sgt. Chuck Castonguay. "We almost gained the entire town."

In the heart of the violence is a federal plan, put in effect last year, under which Gulf of St. Lawrence crab fishermen shaved 20 per cent of their quota with power industry fisheries. But the "Rathoney"—local term that refers to the roughly 130 crabbers in New Brunswick and Quebec who have, until now, controlled the crab fishery—wanted the plan rescinded. There is a lucrative market employing about 600 deckhands; the crabbers had paid themselves an average gross income of up to \$1 million each—even with the shared quota system. In recent months, they reached a preliminary agreement with regional federal fisheries staff under which either fisherman would have been shot out of the crab industry, in return for creating a fund that would have benefited industry fishermen.

MURKIE MacBAIN in Miramichi



The humpback of Notre Dame



(The humpback of Notre Dame photo: Bruce Weller/Black Star; whale photo: Steve Madole/Black Star; inset photo: Ken McPherson)

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NEWFOUNDLAND & LABRADOR

JOUSTING OVER SECESSION

A motion affirming Quebec's right to unilaterally secede from Canada was passed by 56 votes to 35, with Liberal MPs refusing to side with the Parti Québécois government. Premier Lucien Bouchard told the assembly that Quebec can declare sovereignty regardless of whether the courts rule it illegal or the federal government tries to block secession. Federal lawyers argued in Quebec Superior Court, meanwhile, that Quebec secession could only proceed in accordance with the rule of law, and that neither international law nor Canadian constitutional law grants Quebec the right to secede unilaterally. Ottawa was intervening in a case brought forward by Quebec City lawyer Guy Brûlé, who is seeking a permanent injunction against references that could lead to unilateral secession by Quebec.

BYELECTION ENTRAILS

Ontario Liberal candidate Grant Kennedy won a provincial byelection in the riding of York South, a seat that had been held by the NDP for 45 years. Kennedy, a former local bank director, said the result showed that voters saw the Liberals as the most viable alternative to the governing Conservatives. Meanwhile, Alberta Léthbridge held on to its seat in the riding of Pederick in a by-election that Conservative Premier Ralph Klein had described as a "crucial test" of his government's popularity.

SALMON WARS IN COURT

B.C. Supreme Court Justice John Cowan rejected an application by 13 independent B.C. fishermen and the provincial government for an injunction to halt Ottawa's plan to allow the sale of the Pacific Coast salmon fleet by at least one bid. The next day Ottawa placed new restrictions on selling offshore salmon that mainly targeted the sports-fishing industry.

BREAKING A BLOCKADE

About 300 members of an Indian reserve near Wanigan, Man., 250 km northeast of Winnipeg, began to return to their homes after RCMP and tactical squads used tear gas and dogs to break up a month-long blockade into the reserve by about 130 armed protesters. The police said they met only "minor resistance" from the protesters, who want to set up a reserve there.



AFTER THE FLOOD

The 43,000 residents of Timmins, Ont., 560 km north of Toronto, and at least three other smaller communities nearby grappled with the worst flooding to hit the region in 36 years. Officials in Timmins, Foley, Chapleau and White River declared states of emergency as strong spring rains and deep snow melting in the dense forests swelled the rivers, lakes and streams dewatering the rugged Canadian Shield landscape. In Timmins, the high waters forced more than 30 families to evacuate their homes. The flooding also resulted in the temporary closure of rail lines and highways in the region.

A flooded street in Timmins spring rains and melting snow

A last-minute deal at the CBC

The talks lasted 18 hours past the midnight strike deadline. But when they ended early last Friday morning, CBC management and the corporation's 7,000 announced employees breached a night of relative negotiation as negotiators announced a massive settlement—overhauling what would have been the largest walkout in the public broadcaster's 39-year history. Of the three unions of the CBC, two—the Canadian Broadcast Employees Union and the Communications, Energy and Paperworkers Union—reached a settlement before the deadline. But talk between the Canadian Media Guild, which represents 3,500 CBC reporters, producers and writers, hung into the small hours of the morning.

No reprieve for Ottawa in the Airbus case

In the first indication of the nature of Ottawa's defense against a \$50-million libel suit filed by former prime minister Brian Mulroney, federal government lawyers said that a case they are pursuing against him is based on information from their own credible sources, and not simply from media reports. However, in a pretrial submission in Quebec Superior Court in Montreal, the lawyers said that no one informant new would participate if the RCMP's continuing investigation of allegations that Mulroney was involved in a kickback scheme in Air Canada's 1988 purchase of 34 Airbus passenger jets. At the same time, they admitted that after interviewing more than 90 people, the RCMP still does not have proof that Mulroney received any money.

After four years of war caged up in a Sarajevo basement, 13-year-old Benjamin Mihaljevic could not resist the temptation of the first spring sun—so he and a friend explored the terrain outside their penthouse—on cycling forbidden by their parents—Mihaljevic emerged on a landmine. It blew off his left leg, a hand to get up, I consider," he recalls as he points to Sarajevo's Kosovo Hospital, situated at the damaged stump of the leg that once stood there. His brother, who had been hit in the right leg in a nearby bus, another mine victim, six-year-old Milos Zivkovic, sprawled in a cycling book, unaware that doctors may be able to save his shattered right leg or the remaining half of his left foot. As they do each day, in a Monica-shaped hospital, another boy had picked up a strange case-shaped bomb. It exploded, killing one woman and maiming four children. "Children, thank God, have more resources to deal with this," said Sarajevo surgeon Dr. Firdo Radenkovic.

But it is children who are most vulnerable to the estimated 120 million land mines that lie hidden in some 60 countries. Touched off by a misplaced foot or wheel, they kill or maim up to 20,000 civilians annually, usually after the wars they were planted to have ended. Now, U.S. President Bill Clinton has disappointed anti-mine activists—including the Canadian government—by declining to endorse an outright ban on the production and use of the weapons. That has made Ottawa a leader in the war against the indiscriminate devices, which the International Committee of the Red Cross calls "blind terrorists." As a first step towards a global ban, Foreign Af-



Mine victim in Sarajevo: children are the most vulnerable



A Red Cross display shows the deadly range of mine varieties "blind terrorists."

said last week. "It's time to confront the Americans. It's time taking a position on standard gun or a nuclear bomb—you're either going to use it or you're not." Yet even in Canada, which has banned the export of mines since 1987 and their production since 1992, there is controversy over the government's reluctance to destroy mines in its own country, notably for Norway and Denmark, which have both decided to destroy mine stocks. "It's ridiculous," says Miran Atasian, Canada's Wernhering. "The cost of our ban is not avoidable if we observe those principles."

But the struggle about Canada's approach quickly fails when compared with the actions of some of the many countries that still reject a ban. Mines alone recently killed two million people in Chechnya within two months. The Bosnian government last month added a chilling codicil to its mine tragedy: "We again demand," said Marjanovic's that a former Yugoslav weapons factory in the central Bosnian town of Tuzla has secretly begun to produce fresh antipersonnel mines. "It is an unconscionable outrage," declared a Norwegian mine-clearing expert when asked to comment. He was still in shock from witnessing a Canadian soldier lose both legs while trying to clear off a mine area.

The incident brought to 42 the number of NATO soldiers killed or maimed by mines in Bosnia this year. The department of national defense says Canadian peacekeeping forces have been involved in 46 mine accidents worldwide in the past three years, killing two soldiers and wounding 30. Only a handful of those cases were due to mine-clearing operations.

In Bosnia, the war may be over but the carnage is not. The country has been seeded with at least three million mines—from high-tech devices that jump up and explode at chest level to crude booby-trap land mines in beer cans or cigarette cartons. Former soldier Miran Dzubanac, 32, was walking near a front line in Samac when last month he stepped on a brick to avoid a minefield and cut off his right leg. "Thousands of people walk that path. I had never got into the grass to take a leak," he shrugged. "Who knows? That could have been one of the mines I had along here. We were told to do it." At current rates in Bosnia, it will take 30 years and hundreds of millions of dollars to make it safe again for children like Sarajevo's Mihaljevic and Bosnian to go outside on a spring day. Redefining the world of land mines would take immeasurably longer. But in the view of countries like Canada, a global ban on the hidden killers is the only way to start.

DANGER ZONES

At least 64 countries have serious problems with exploded land mines. These are some of the worst affected, and the estimated number of mines:





WORLD THE NETHERLANDS

The limits of tolerance

Holland tightens its easygoing approach to drugs

There is still the Van Gogh museum, of course. And plenty of tourists stroll along the canals of the red-light district, gazing at the windows of sex for sale and the dazed Asian hookers who barely lift their lips in return. But the thousands of youth who descended on Amsterdam for annual celebrations marking the May 4, 1945, end to Nazi occupation seemed most drawn by an offer of the city's famous pleasures: its "coffee shops," where the haze of second-hand smoke gives an intoxicating head-swinging aroma of marijuana or hashish, and police obligingly store the other way. The scene may be a throwback fauna of long-dead pop stars Bob Marley and Jimi Hendrix peer dreamily down from posters on the coffee shop walls. Prices on the menu cards may keep rising: \$20 now for a tiny ziplocked packet of grass, stamped with a logo showing the country of origin. But the kids keep coming to this rat race of anything goes. And as Liberation Day, when they spelled—smiling, a bit bleary—



ON ASSIGNMENT
BRUCE W. WALLACE
IN AMSTERDAM

from the coffee shops into the streets, they turned Amsterdam into a drunken, stoned public zone. Not exactly what Canadian soldiers had in mind when they fought to free Holland half a century ago.

The kids had better get their stoners in now, because there is pressure to bring back the sharperones. Twenty years after the Dutch began their unique policy of "tolerance" toward soft drugs—illegal but not indictable—that indulgence in milder stuff is never before, partly from the Dutch themselves but mostly from grumpy neighbors. And though there is hardly a whiff of permissiveness in the society at all, there is a concern that the drug policy needs tightening. "Most Dutchmen feel those coffee shop stinks, and I think they are right," says Prime Minister Wim Kok. He describes the growing number of illegal coffee shops and the drug tourists they attract as a "nuisance."

For worse than that, say Holland's ap-

petited European neighbors. "A narco-state" was the hyperbolic description of the Netherlands offered by one French legislator, blaming his country's exploding drug problem on the cheap price and easy availability of heroin and pills just up the high way in Dutch cities. In March, the French government reimposed controls along its border with Belgium and Luxembourg, the main routes to Holland—a really show of displeasure in what is supposed to be a post-free Western Europe. And a damning report from the United Nations International Narcotics Control Board has questioned Holland's "tolerance" to its international commitments on drug control. The coffee shop's huge demand for cannabis supplies has opened the door to organized crime, says the report, which also slammed the Dutch for "denigrating" the boom in clandestine botany that produces and exports marijuanna, a potent homegrown weed.

The Dutch government called the accusations baseless. (One described French President Jacques Chirac's views on the subject as "highly emotional and not balanced.") But as a small country of 15 million people in an ever more interdependent Europe, it had to listen to its neighbors' complaints. The government responded by pledging to close about half of the estimated 2,000 coffee shops. Limits on the sale of cannabis for personal use will drop from 30 to 15 grams. And

Sampling weeds at a 'festoon' in Amsterdam: accusations of a 'narco-state'

with no desire to become known as a major marijuana exporter, Holland promised a crackdown on large-scale marijuana growers.

But the Dutch stand by the cornerstone of their 1976 policy: Addiction to hard drugs such as heroin is a health problem, they say, not a criminal one. And they contend that soft drugs are not a major health threat, so their use should be tolerated under controlled circumstances. The crux of the policy is a belief that soft and hard drug markets can be separated. Advocates contend that coffee shops, which are banned from selling hard drugs, remain the best way to protect purveyors from the hardened criminal subculture that

dog barked. "Heroin is no longer a glamour drug," says van Mastrigt. That dubious honor falls to the "designer drug" ecstasy. Holland's neighbors accuse the country of becoming a leading producer of that pharmaceutical as well.

But if Holland's own levels of drug abuse are not out of control, why the fuss? Part of the answer lies in the countless suburban housing blocks outside French cities such as Paris and Lille, where heroin use is growing, particularly among young people, among the North African immigrant community. China has had the blues in the Dutch, warning that drugs at all kinds are pouring through the country's biggest port in Rotterdam, selected by the Dutch law enforcement. China currently ranks methamphetamine as one of the most popular drugs in the world, says Van Mastrigt.

Accused of regularly use hard drugs—mainly heroin and cocaine—he remained similar to several other European countries with respect to crack policy. Europe's addiction problem, though, is generally less severe than that of crack-cocaine-fueled North America.

HARD CORE

The Dutch had hoped that their liberal approach to drugs would reduce the number of addicts. In fact, the proportion of people

| COUNTRY | DRUG ADDICTS per thousand people |
|-----------------|-------------------------------------|
| NORWAY | 1.0 |
| GERMANY | 1.5 |
| THE NETHERLANDS | 1.6 |
| BELGIUM | 1.8 |
| BRITAIN | 2.6 |
| FRANCE | 2.6 |
| SWITZERLAND | 4.7 |
| CANADA | 7.0 |
| UNITED STATES | 10.0 |

SOURCE: UNITED NATIONS INTERNATIONAL NARCOTICS CONTROL BOARD; UNITED NATIONS DRUG MONITORING CENTER

feeds off cocaine and heroin. "Everyone in Holland accepts that you must have a sufficient number of outlets to meet a demand for cocaine that is already there," says Hans van Mastrigt, an addiction policy official with Rotterdam's health service. "If you can just drive the business underground, where you can't control it."

Statistics suggest that the number of Dutch drug users—both hard and soft—is about average for Europe. Holland's cannabis use is somewhat above average, but not in a class of its own," says Richard Harms, head of epidemiology at the European Union's drug monitoring center. Harms argues that the Dutch experience proves there is no connection between走私 at pot smoking and the number of hard-drug users. In fact, he says, "politicians overstate the effect of these policies on the prevalence of drug use and drug addiction altogether." Dutch officials contend, pointing to the higher average age of their addict population (about 32) as evidence to the fact that methadone and crack needles they offer heroin addicts have lengthened their lives. And fewer Dutch youths are getting hooked.

For France from all sides, but the European agency's Bartolozzi notes with a laugh that "the French government's own data doesn't really what their policies are saying."

The Dutch don't like the burgeoning French market either, and wish its addicts could just stay home. A backlash has developed in those parts of Holland swamped by drug tourists, and it sparked violence last year in the Rotterdam outer-city neighborhood of Spangen. Home to large numbers of North African and Middle Eastern immigrants, Spangen acquired a reputation as a place to buy cheap heroin cheap. Addicts and pushers began making the 20-km drive from life to Rotterdam, sending the neighborhood into an nuclear drug-free peninsula. When Rotterdam police were slow to respond, residents decided to clean up Spangen themselves.

In what they called "the action," they closed stores to cars with foreign license plates and shaved those that ran their "surrounds." "We told people with French plates to buy their drugs elsewhere," says Bruno Vito, 47, a lifelong Spangen resident who helped organize the protest. The night last sum-

mer, says Vito with an ergonomic smile, his community group quietly laid police to sleep over, pulled a dozen or so stubborn junipers from a particularly hardcore drug den, and burned the house down. No charges were laid.

With his powerful build and greying hair pulled into a ponytail, Vito looks like a middle-aged biker. In fact, he is a taxi owner, and before that was a taxi driver, who knows every cranny of his neighborhood. "We had 150 drug houses in Spangen before the action. Now we have 30," he said while driving past its rows of apartments and concrete garage courts, pointing out dealers he knows. "But they're coming back. Sometimes I think we should and I know they do drugs because it would take the criminals out of the game. But then you'd get all the junks from France and Germany coming here. If you legalize it here," he says, "you have to legalize it in France."

That's the rub. The European Union, too, is now casting doubt faster than the laws and social policies of its 15 countries can be harmonized. By insisting on liberalizing its approach, Holland risks becoming a drug ghetto for all of Europe. In fact, the Dutch government initially noted in a report last fall that the best way to define the criminal groups would be to make the government the sole cannabis supplier. But unless other countries follow, the authorities conceded, they would just attract more drug tourism with all its associated patty cake and ganja. No matter how much the Dutch would like to see the rest of Europe adopt their ideals, Holland, noted the report, "has less scope for influencing the European debate than is sometimes thought."

The result is an old-style European sly fight, one more case of friction as national cultures collide on the road to European unity. "Who does Chirac think he is, telling us to stop selling drugs?" Did he stop exporting nuclear weapons when the world asked him to? asked a young Sartheenne drug dealer named Mohamed, openly doing cut packets of crack cocaine to interested visitors in a Rotterdam church basement. The church welcome Mohamed and his stash as part of a program aimed at getting addicts off the street. It even has two rooms for smoking crack and shooting heroin. "The Dutch policy of separation of markets carried to the extreme—and its presence is proof that the Dutch have not lost their willingness to experiment with solutions to drug abuse." For a while, I worried that we had lost our tolerance towards those drug users," said van Mastrigt, as he sipped a beer in a Rotterdam cafe. "Last year people were saying 'We don't want any drug users or dealers here anymore.' But the old Europe resisted itself. Now they are just saying 'We don't want any drug users here.'"

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World NOTES

YELTSIN'S MOVE

Russian President Boris Yeltsin said he will meet soon with Chechen rebel leader Zelimkhan Yandarayev. The meeting would be an important advance in the 10-month-old conflict between Russian troops and separatists in Chechnya. "The ice has begun to break," declared Yeltsin. Progress towards peace could give him a major boost in the June 19 presidential race.

KASHMIR VOTES

Residents accused security forces of pressuring them to vote at staggered parliamentary elections in the strife-torn Indian state of Jammu and Kashmir began. Separatists who have fought a seven-year war against New Delhi claimed responsibility for a powerful car bomb that went off in the capital, killing 13. Separatists were also suspected in a bombing that killed 14 bus passengers in northwestern India. The voting, Kashmir's first in seven years, was to end that week.

COMPUTERS FOR CUBA

The U.S. Treasury allowed a shipment of secondhand Canadian computers to be delivered to hospitals in Cuba. Customs officials, enforcing the U.S. boycott of Cuba, had seized the equipment at the Canadian-American border after a group called Thirst for Peace, from which 11 computers originated, prompted Brian Peterson of Congress to issue his 87-day protest fax to San Diego. "I'm feeling good and happy," he said in an interview. "Canadian support has been incredible."

FERRY TRAGEDY

Divers recovering bodies from East Asia's worst shipping disaster said more than 1,200 people may have died on the sunken ferry Delfine. The overburdened Taiwanese vessel, legally allowed to carry 441, capsized on Lake Victoria. Witnesses said it sank quickly after initial efforts by rescuers went terribly wrong. Two holes they cut in the hull allowed water to flow in as passengers screamed for help.

CHINESE ARMS HAUL

U.S. authorities said they had arrested a ring smuggling Chinese-made automatic weapons into the country. Six Chinese officials, of two Chinese state firms of being arrested. Agents in San Francisco arrested seven people in a sting operation after seizing 2,000 AK-47 rifles in March, the biggest such haul in U.S. history.



DELIGHTED DEFECTOR: North Korean fighter pilot Capt. Li Chai Su celebrates his arrival in Seoul, South Korea, after flying his unarmed MiG-19 jet across the world's most heavily guarded border. "It couldn't live under the North's system any longer," he told reporters, shouting in excitement. Lee's defection—the first by a northern pilot in 13 years—heightened tension on the Korean peninsula. Shortly before his flight, five North Korean gunboats briefly sailed into the South's waters, one of a series of incursions by the North recently. Several diplomats have also defected. The Communist North is suffering from a serious famine and continuing uncertainty over the role of reclusive "Great Leader" Kim Jong Il.

A very Major beef with Europe

Applause from many of its countries, British Prime Minister John Major launched a frontal attack on the European Union over its worldwide ban on exports of British beef. Major ordered British representatives to pursue a policy of non-cooperation with the European Union of meetings and in official bodies. The United Kingdom, of which Britain is a key member, has demanded the London-based body make changes to prevent further cases of bovine spongiform encephalopathy, commonly known as mad-cow disease. Britain has proposed less sweeping cuts, but the European Union has rejected them as insufficient. The bloc ordered the beef ban in March after Major's government conceded that mad-cow

disease may lead to a fatal illness in humans. Major vowed to disrupt EU business until the ban was eased and a framework agreed for its ultimate lifting. Foreign Minister Malcolm Rifkind said the policy could last for three months or more. EU officials noted that there were limits to how much business London could hold up, since many decisions require only a simple majority rather than unanimity. EU farm ministers were also due to meet on June 3 to consider allowing British exports of beef gelatin, beef oil and bull semen. Sir Major's move appeared to be broadly popular, both in his own Conservative party and among people in the street. There is speculation that he was preparing to call a snap summer election.

The crackdown on Myanmar's democrats

A mob armed with sticks and stones arrested more than 200 pro-democracy politicians in Myanmar. Former Amnesty International chief and Nobel Peace Prize winner Aung San Suu Kyi, 61, was elected MP from her party, the National League for Democracy, whose sweeping 1990 victory was not recognized by the ruling military junta. The U.S. state department said it would consider imposing new sanctions on Myanmar. The junta took power in 1989 amid a bloody crackdown on democracy activists and held Suu Kyi under house arrest from 1989 to 1990. Suu Kyi said she thought it was "quite possible" the junta would re-arrest her, although a spokesman said, "We have no plans for that—yet."

The high cost of 'dumbsizing'

Has the restructuring wave gone too far?

The memories are still vivid. On a single day a little over a year ago, United Communications Co. cut almost a quarter of its workforce. Caught in a high-stakes battle for a share of the country's long-distance market, the Toronto-based company was bleeding red ink at a rate of \$1 million a day. So on Feb. 28, 1995, United's senior executives laid off 620 employees from every level of the organization. Now, after a management shakeup and the arrival of a new chief executive officer, United is on the rebound. But within its senior ranks, there is also a widespread recognition of the emotional and financial costs of large-scale layoffs—consequences that range from low morale to increased workloads and lost productivity. "We understand there are dangers," says Judy McLeod, United's vice-president of human resources. "Downsizing for the sake of downsizing is something we hope we never do again."

McLeod's sentiments reflect those of a large number of executives, academics and management consultants. For more than a decade, big business and governments across North America have been slashing staff, offering early-retirement incentives, eliminating layers of management and firing out surplus executives. But while there is little doubt that rigid restructuring is the dominant trend of work life in the 1990s, as increasing numbers of business leaders are coming to the conclusion that the slash-and-burn approach to corporate restructuring has gone too far. A few analysts even argue that downsizing—or "dumbsizing," as some critics call it—has hurt North American productivity. "We are hearing about corporate amnesia," says Dwight Gerde, a vice-president at Mercer Management Consulting Ltd. in Boston. He adds that in the past few years, "downsizing became addictive. People lost sight of the other things you need to do to make a company grow."

Gerde and most other ex-

perts are not suggesting that corporate downsizing is always wrong. Since the mid-1980s, deregulation, increased foreign competition and the introduction of new technology have forced companies in almost every sector to become more efficient. But the downward trend gained momentum, corporations and investors sometimes behaved as though massive layoffs were a guarantee of future success. Gerde, for one, challenges that view. He says that his own research—the 265 book *Gene to Be Great: Breaking the Downsizing Cycle*—suggests that fewer than half of firms that dramatically cut staff actually achieve their goal of increased profitability.

Similar findings are contained in a study published in 1994 in Canada by Watson Wyatt Worldwide, a U.S.-based management consulting firm. Of the 148 major Canadian companies surveyed by Watson Wyatt, 40 per cent reported that downsizing did not result in reduced expenses and more than 80 per cent did not experience higher profits after cutting staff. Lloyd Cooper, a consultant at the firm's Toronto office, says those findings are proof that "lean and mean" strategies are often destined to fail. What is more, over half the companies that laid off workers initially hired new staff soon after the downsizing. "I think a number of firms try too much," says Cooper. "To me, that says the downsizing was often used as another way of performance management. Instead of dealing with people and coaching them, they are downsizing to get rid of them."

Another concern complaints that downsizing often leaves空虚 of their best employees. In many corporations, early-retirement schemes were introduced in the first wave of cost-cutting. The older and more experienced employees took lucrative early-retirement packages so companies sought to "buy back jobs" to recruit new employees at targets. When that failed to produce the desired results, companies implemented

MICHAELLE
with employees
of Metal Fast
Flight among
jobs lost
recently



LEANER AND MEANER

In a survey published in 1994, executives at 148 *Business Week* companies were asked about the effects of downsizing. Most reported that their efforts to restructure had resulted in higher employee workloads and lower morale. In a majority of cases, product and customer service also suffered.

Percentage of companies reporting an adverse aspect at:

| | |
|--------------------------------------|----|
| Workloads | 70 |
| Morale | 59 |
| Commitment to company | 47 |
| Job satisfaction | 43 |
| Ability to retain high performers | 30 |
| Ability to attract quality employees | 24 |
| Quality/customer service | 13 |
| Willingness to take risks | 11 |
| Productivity | 11 |
| Workforce competence | 10 |

ed across-the-board cuts, often by requiring each division or department to cut these staff levels by a specified percentage. "You know the older people who had the energy," says Gerde, "and you leave the younger people who had the energy."

United's McLeod notes that for people who remain on a company's payroll after downsizing often suffer from poor morale and high levels of stress. "We learned it's important to pay a lot of attention to those who are left," she says. Otherwise, the "survivors" (sometimes including the company's most talented employees, say) be tempted to wait for the next wave of downsizing, this time with the extinction of less-talented survivors. "The brightest people say, 'I'm going to get a nice bag of gold if I am marketable. I can get another job and still have the bag of gold,'"—and then they leave, says Cooper.

The results, according to Wall Street analyst Stephen Roach, have been the "fallowing out" of a growing number of large corporations. For most of the past decade, Roach, the chief economist for Morgan Stanley & Co., promoted the virtues of downsizing, noting that the drive for efficiency would produce surging profits, sustained low inflation and improved competitiveness. But in a report issued in May 1995, he surprised many of his followers by announcing that he was "the second thought to what we have reached," he said.

Roach added that it is "highly debatable" that plant closings and massive layoffs yield long-term benefits and productivity improvements for corporations. "The steadily declining resurgence of recent years has been fuelled by a lack of slowdowns, but restructuring strategies that have put extraordinary pressures on the workforce," he writes. "But this approach is not a persistent solution. Tactics of expanded downsizing and repeated compression are ultimately recipes for industrial extinction."

Whether Roach's admonishments have any impact in the boardroom remains to be seen. But some executives, at least, are re-thinking their approach to layoffs, trying to ensure that their efforts to cut expenses do not damage the overall health of the

company. Last year, Montreal-based Bell Canada launched a five-year plan to cut 13,000 of its 46,000 workers in use of the largest corporate restructuring in the country's history. But under earlier downsizing efforts in the 1980s, Bell wanted to make sure that it did not lose large numbers of valued employees. The company's solution was to invite employees to apply for voluntary severance packages, while retaining the right to review those requests and decide who would be eligible. "It's been a gradual process—giving employees as much notice as possible, removing work that's redundant and shifting work to areas where it can be done more efficiently," says Harold Giles, a senior vice-president with Bell Human Resources in all, 19,000 to 16,000 Bell workers applied for the severance packages. 13,000 have been approved. "I think companies generally have recognized that setting layoffs largely without any rationale in publicly and can have a negative impact," says Giles.

In other cases, companies have managed to avoid layoffs altogether by working with employees to find solutions. An example is Metal Fast Freight Inc., a Mississauga, Ont., tracking company with about 250 workers. After the company hit tough times in 1991, the employees agreed to give up their bonuses and accept a 10-per-cent reduction in hours in order to save jobs. "When we got into a crunch situation, it is part of the culture of this company to talk about it," says Katherine McMillions, the 36-year-old president. By avoiding cutbacks, she adds, the company preserved jobs, maintained morale and positioned itself for future growth. By 1995, economic conditions had improved and the bonuses were restored.

For Fred Reichheld, that kind of old-fashioned corporate loyalty is essential not only to develop a strong workforce, but also in creating a better culture. Reichheld, a management consultant with Boston-based Reichheld & Co., maintains that it is important to treat employees as assets and not simply as expenses. In his book, *The Loyalty Factor: The Hidden Power Behind Growth, Profit and Lasting Value*, he argues that downsizing has had a lasting and negative effect on many corporations. "Loyalty is not taught at the business schools and it's not an economic term," Reichheld says. Smart and successful companies, he notes, tend to pay their employees well, offer profit-sharing or bonus programs, and know how to reward them for their loyalty to productivity.

In United's case, the challenge was simply to increase the company's survival. But while that has been achieved, Judy McLeod is the first to agree that layoffs are not an easy fix for companies facing declining sales or intensifying competition. As she puts it, "You can't downsize your way out of all your problems."

DAVID EISNER

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Deirdre McMurdy



Cozying up to the CEO

The corporate annual meeting season is slowly drawing to a close. The good news is that laid-back rooms across Canada are now free for more relevant social events, like high school proms and wedding receptions. The bad news is that, once again, form has stifled substance.

This year—in a most unusual year—the polite mutual respect between senior managers and stakeholders was perfectly executed. Despite the widespread public grumbling about fat profits, bloated executive bonuses and heartless layoffs, no one actually discussed those subjects in detail or challenged the status quo. Left undiscussed were such issues as corporate responsibility and the focus on short-term stock gains rather than long-term value.

To some extent, the problem is the highly formalized structure of traditional annual meetings. It doesn't really encourage a candid exchange of views. Very little new information or insight is offered up. Any voting on special matters—such as Intel's takeover of Diamond Field Resources last week—is done in advance, by proxy.

This has evolved largely because shares are concentrated in the hands of pension funds and pension funds. When these institutions want information, they don't seek it out. Relying on the telephone until they're acknowledged by the CEO, it's more likely that the CEO makes house calls whenever summoned.

Certainly some investors give the accounting some minor weight. This season independent shareholders showed broad relief at executive pay packets at the meetings of BellSouth Industries and Dresdner Corp. At Air Canada, outgoing chairman Helmut Hahn took some lip from the airline's share price and his (natural) modesty. For the most part, however, Canadian investors displayed that smugness and indifference displayed by the rest of the complacency.

One troubling sign about this hollow annual exercise is that many of the country's powerful institutional investors on the one hand, massive pension funds are composed of the savings of the very-

people who are being squeezed by corporate downsizing. On the other, pension funds retain the professional money managers—the ones who are exerting so much of the cost-cutting pressure on executives.

Since the corporate governance movement has gained momentum, there has been a perceptible shift in power away from the executive suite and into the hands of large institutions. If there was ever any doubt about who actually owns the company and for whom management works, institutions have cleared it up.

For the most part, these institutions represent "patient capital" with a wide horizon for returns on investment.

But the catch is that they typically employ hired guns to administer their vast pools of cash. The performance of those portfolio managers is scrutinized on a quarterly basis. And it's that relentless push for profit that seems to pressure as executives to keep stock prices cooking—whatever the human cost.

To ensure the long-term health of a company and the welfare of its employees, that pressure must be firmly countered. That's where the primary responsibility of a board of directors lies. It falls to the directors to weigh the strategic needs of a growing company with the equally valid demands of restless capital.

Increasingly, the question is whether directors—especially those who are edgy about potential fatalities—are up to the task. Consultants at Ernst & Young recently conducted a poll of 100 Canadian company managers. It found that only 20 per cent of directors are judged by the companies they serve to have an adequate grasp of the core business. The managers surveyed think even fewer understand the internal components of the enterprise.

These findings underscore an interesting notion: despite the Senate review committee on corporate governance, which circumscribed the exercise last year, many directors are still little more than hood ornaments. No wonder that the quick-hack money managers continue to call the shots. And that annual meetings remain a cozy—if meaningless—tradition.

Business NOTES

TOY CHAIN INVESTIGATED

This U.S. Federal Trade Commission launched an antitrust case against Toys "R" Us, the world's largest toy retailer. The New Jersey-based company is accused of fixing prices and buying toy makers into exclusive arrangements which were designed to shut out discount competitors. Toys "R" Us chief executive Michael Goldstein said the chain would "aggressively fight the charges."

VINK TO LEAVE MAGELLAN

One of the top names in the U.S. investment industry is stepping down as manager of the world's biggest mutual fund. Jeffrey Vink, 37, earned an estimated \$6 million a year running the \$6-billion Fidelity Magellan Fund. Vink has been under fire because of the fund's poor performance and because he made favorable statements about a stock the fund was selling.

COGECO BID REBURSTED

Quebec's Superior Court rejected the latest bid by Montreal-based Cogeco Inc. to block Groupe Quebecor's \$1.5-billion purchase of CPC Inc., a Montreal broadcasting and cable company. Cogeco president Louis Audet is considering another court appeal, but Wallenberg says it intends to proceed with the takeover. Wallenor and Cogeco have been in a bitter fight for control of the CPC office last November.

LONDON LIFE ACQUISITION

London Life Insurance Co. has increased its leading role in the personal life insurance market after purchasing the Canadian assets of Prudential Insurance Co. of America. The \$500-million deal, which is subject to regulatory approvals, gives London Life \$1.6 billion and more than \$2.8 billion in assets. "It is an ideal fit," said London Life president Gordon Cunningham.

PRaise FOR A DICTIONARy

Bilingual mining tycoon Peter Munk says he is sorry if people misunderstand his remarks praising former Chilean dictator Gen. Augusto Pinochet. The chairman of Noranda Gold Corp. and Norinco Corp. said recently that Pinochet showed "courage" in maintaining Chile from a socialist state into a bonanza of capitalism. In 1991, a Chilean congressional调查 found that more than 1,000 of Pinochet's opponents died during his 17-year rule.



Newsroom at The Vancouver Sun, Burnaby, British Columbia

Black steps up bid for Southam

A sharp share price and poor financial performance at Southam Inc. of Toronto had some media observers speculating that Canadian Black was looking for a growth and financially prudent way out of Canada's biggest newspaper company. But that isn't Friday, after stock markets closed, Black's Hollinger Inc. once again surprised the critics by announcing that it had not only dramatically increased its stake in Southam, but was beginning to gain control of Canada's oldest and largest daily newspaper chain.

Hollinger, which has been on a major acquisitions binge, agreed to pay \$18 a share, or \$843 million, to Montreal-based Power Corp. With that, Black increased his stake in Southam—which owns 20 dailies, including The Vancouver Sun, the Calgary Herald, The Ottawa Citizen and the Montreal Gazette—to 41 per cent from 19.5 per cent. Hollinger president David Sudler said the company will call a special board meeting to elect a new slate of directors and bring "some fresh ideas and new blood" to the struggling firm. He said no senior management changes are expected, and a member of the Southam family will remain on the board. Hollinger also said Southam will consider previously announced plans to cut about 750 jobs this year, but said further layoffs were not anticipated. "We want it more profitable if that is and we want to make sure of the product better than they did," Hollinger said.



David Sudler, president of Hollinger Inc.

In less than a year, Hollinger has grown from a stable of five dailies in Canada to 40. The company also owns the London Daily Telegraph, the Sunday Telegraph, The Jerusalem Post and the Chicago Sun-Times. "We're going to have worldwide coverage," said Sudler.

Rader said the move to increase his ownership stake in Southam means the company will not pursue the purchase of Sun newspapers in Edmonton, Calgary or Ottawa but "certainly could still look at The Toronto Sun and The Financial Post." He said Hollinger received advance approval for the Southam deal from federal competition regulators.

Ethical investing

There are now 15



Financial Institutes in Canada that invest according to socially responsible criteria, compared with only one a decade ago. Eugene Elkin, author of *The Canadian Ethical Money Guide*. According to the Toronto-based Social Investment Organization, a nonprofit group of pension fund leaders and related groups, 90,000 people have invested a total of more than \$2.2 billion under ethical guidelines in Canada. The SIO publishes a quarterly newsletter to help investors track the performance of Canadian companies on various ethical measures, including workforce diversity, the environment and international investment.

Affordable housing

Houses in most parts of Canada have risen in price at any time in the past decade, according to a Royal Bank study. The quarterly survey measures the proportion of median net-to-household income required to make mortgage payments.

Percentage of income taken up by home ownership costs (national average)



year mortgage, property taxes and utilities on a typical starter home. Nationally, houses are currently most affordable in the Atlantic provinces and Alberta, and least affordable in British Columbia.

Plastic heaven

Canadians lead the world in the use of plastic debit cards. In the first quarter of 1995, consumers used their cards 130 million times, buying goods and services with \$19 billion. Interac, an association that represents financial institutions, expects a total of 700 million transactions this year, almost double the 1995 figure.

A remedy for price haggling

The most people who find themselves in the market for a new vehicle, Mark Langman decided, the prospect of haggling with a sense of negotiating skill. So after getting on a Ford Windstar GL minivan, the 35-year-old couple paid over \$16,000 for a consumer-information service for a car-purchasing guide detailing the wholesale cost of the van and selected options, including air conditioning and tinted windows. Armed with that information, Langman and his wife, Bonnie, tested the only Ford showrooms in their home town of Woodstock, Ont., and agreed to a \$125 markup over the dealer's cost. Factoring taxes and freight, the couple paid about \$18,000, compared with a suggested retail price of \$18,750. "These dealers-out numbers gave me some confidence that the price I was paying was not exorbitant," Langman says.

Slowly but surely, the use of discount-prices as a negotiating tool is catching on among car buyers. The idea is simple: rather than trying to bargain down from the suggested retail price—the "sticker price"—the customer starts with the wholesale cost and then offers what he or she believes is a fair price for the dealer.

The strategy is most common in the United States, where information on vehicle pri-



Langman driving a Ford van

ces is available from dozens of organizations. In Canada, the only two national car price services are Auto Hotline, a division of Lease Buyers Inc. of Mississauga, Ont., and the Automobile Protection Association, a Montreal-based consumer group.

Not surprisingly, 165-year-old Auto Hotline and the APA are popular within the auto industry. Ken Graydon, the president of the Canadian Automobile Dealers Association, says that such services broaden its members' knowledge of a time when margins on new vehicles are already declining because of intense competition and customer concerns about affordability. In addition, Graydon questions the accuracy of the information provided by vehicle-pricing services. "Where the heck do they get this information?" demands Graydon, who represents 3,000 of the country's 7,000 dealers. "The dealers won't give it out, so the prices can't be substantiated."

The APA advertises its service in a quarterly magazine mailed to 12,000 consumers across the country. Members pay a \$32 annual fee which, among other things, entitles them to wholesale-price information on two vehicles per year (non-members pay \$65 per car or \$30 per truck). And for those who want to avoid negotiating

with industry contacts who feed them the lowest prices, Paul Tessieras, the owner of Auto Hotline—formerly Graduate Information Corp.—assumes that his service helps dealers by encouraging consumers to make "reasonable offers."

Tessieras took over the service—which charges \$25 for information on one car and \$35 for any additional vehicles—in 1988 after its original owner ran into financial problems. Since then, Auto Hotline has had a low profile, in part because the company has found it difficult to purchase advertising space. Auto Hotline did run ads in *The Globe and Mail* in 1984 and 1985, but the paper later refused to accept Tessieras' ads after receiving complaints from local car dealers. "They were quite upset that we were allowing somebody to

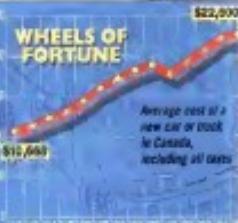
give information that they felt was inaccurate, and they threatened to pull advertising," says Grant Crooks, the paper's general manager. He adds that the Globe rejected Auto Hotline's ads because "we have no way to confirm what the actual prices are."

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With the right information, car buyers can negotiate a better deal

that's right," says Michael Schlesinger, a 38-year-old Torontonian who joined the APA a few days before buying a new car in mid-May. Schlesinger, a training manager for the independent Order of Farmers, paid \$20,500 plus taxes and freight for an Acura Integra RS with air conditioning, a CD player and an alarm system. The list price was \$22,650. Says Schlesinger: "I knew I could get a better deal."

SCHLESINGER



FORECAST: **HOME RENOVATIONS** After a disappointing year for the industry in 1995, Canadians are looking to spend more money this summer on household renovations. A Canada Mortgage and Housing Corp. survey predicts that consumers will spend \$19.4 billion on renovations in 1996, up 4.3 percent from 1995. The CMHC says a growing number of homeowners are upgrading their houses instead of moving. It attributes the projected increase in renovations to a stronger economy and the fact that many consumers put off doing work around the house last year.

Tracking the trades

Daren Bell is hoping that new technology will help his customers make better financial investments—while improving his own bottom line. The Vancouver-based financial adviser has supplied some of his biggest clients with a new electronic paper that allows them to follow minute-by-minute changes in their stock portfolios. The service, developed by Database Systems Corp. of Vancouver, costs \$39.95 a month, but Bell is picking up the tab for major key clients, one each in Bridgewater, N.S., and Fredericton, two in Vancouver. "It helps my clients who follow the market closely stay in touch," he says, noting that all four have stock portfolios worth millions of dollars.

Know Your Tradeoffs is being marketed across Canada by Capital Funding Inc. Dan Davis, Database's vice-president of business development, says that customers who sign up for a paper can select the stocks they wish to monitor as well as the high and low, daily price changes and trading volumes to be reported. The basic monthly rate covers five stocks, with additional stocks costing \$1 per month. The service monitors trading on all major North American stock exchanges.

For at least one investor in Calgary, the service is well worthwhile. "I'm pleased with it and I think I could be absolutely lost without it," said the woman who asked not to be named. "It's nice to know the movement of your stock as things happen during the day, rather than have to wait to read about it in the next day." About 300 people across Canada have signed up for TradeIt papers since they were introduced in early May. Meanwhile, Database is hard at work on its next project—a paper that carts through e-mail and facsimile customers when they have an important message that needs answering.



Gosselin displaying her managerial role

The fund stars

North Americans have always lived on pensions, and mutual fund investors are no exception. With more than 1,000 funds serving 40 million across Canada, fixed incomes are increasingly presenting the regulators of their possible mismanagement. Last year, for example, the Ontario Securities Commission, and KPMG Deloitte at C. A. Deloitte Capital Management Ltd. "What Way's Greatly in to Hockey," says John Russell, research director of the Investment Funds Institute of Canada. "These pensions are to the mutual fund industry."

But what exactly is the role of a mutual fund manager? According to Russell, there are no industry guidelines spelling out a manager's duties. In fact, in some cases, it appears the manager is little more than a figurehead. Recently, Toronto-based O'Donnell Investment Management Corp. hosted a reception for renowned Wall Street analyst James Gannett, best-known for warning of a possible downturn in the market prior to the 1987 crash. Hoping to attract investors, O'Donnell has hired Gannett to run a new \$1.3-million American Sector Growth Fund. But when reporters asked her about the unimpressive performance of a U.S. mutual fund she helped run from 1981 to 1991, the Wall Street legend quickly downplayed her involvement. Although she had helped her as manager, Gannett said, his stocks were severely panned by analysts at Boston Co., a U.S. investment firm.

Ultimately, says Thomas Dabell, Ontario regional director of the Investment Dealers Association of Canada, the onus is on consumers to sift through the hype. "Consumers are perfectly able to take care of themselves," Dabell and Gannett emphasize.



Peter C. Newman

The anatomy of a bungled investigation

Evil in an age when the courts allow O.J. Simpson to go free and don't let Dorothy Jeaneau lie having paged those six pool shots into her estranged husband, Ottawa's behavior, which prevented Brian Mulroney's current libel suit, seems bizarre and beyond the bounds of acceptable justice.

That doesn't mean that Mulroney is innocent—nor does it mean that he is guilty. It does mean that he hasn't been granted the essential guarantee of our criminal system: the presumption of innocence.

The former prime minister stands accused by Ottawa's justice department of having received "bribes" for government contracts. Last month's decision by the preceding prime to drop the prosecution's plan to postpone presentation of its case for rechristening a plane at least defuses the legal element in this nasty controversy, but does nothing to alter the injustice of its fundamentals.

It is difficult to reconstruct precisely how this precedent-shattering situation came about, but from sources within the justice department, several fascinating strands of conjecture cast some light on what actually happened. First of all, those in the know insist that this is not a sting. Senior people at Justice and the RCMP are not out specifically to drag Mulroney. They are much more concerned with exonerating their political allies.

Ever since the Mulroney years ended, serious accusations have been leveled at the Conservative government, some involving the former prime minister himself. For the administrators of justice simply to ignore these allegations because investigating a PM's alleged role in a polity society would leave them open to accusations of a massive coverup. Justice's terrible determination to drive this case home is based squarely on that self-protective sentiment.

That was why, on last Sept. 29, the department sent that infamous letter to Swiss authorities, accusing Mulroney of "criminal activity" and having "defrauded" the Canadian government by accepting \$5 million in kickbacks from Air Canada's \$1-billion purchase of 34 Airbus planes in 1988, while he was still in office. The note requested that Swiss authorities share the mounted secrecy of their banking system by freezing any of Mulroney's accounts, plus those of two alleged co-conspirators—former Newfoundland premier-turned-lobbyist Frank Moore, and German Canadian businessman Kathrin Scherer.

The reason the letter reads much more like a criminal indictment than a reasonable request for confidential information is that Swiss authorities seldom pay much attention to reasonable requests. They require overwhelming motivation to break their national code of protecting the identity of numbered bank-account holders.

The Canadian authorities thus had to deliberately exaggerate

'The state can now destroy us without having the burden of proof in its possession that our system requires'

their brief, claiming, in effect, that they already had damning evidence against Mulroney and merely needed Swiss cooperation to demonstrate where he was hiding his booty. But the insiders stress that this isn't an unusual tactic and that it has been highly useful for obtaining co-operation from foreign governments—and has led to subsequent convictions. (They send out an average of 100 such requests a year—but never before involving anyone as prominent as a former PM.)

Such computations are rated on by a Swiss judge, who receives a recommendation from his country's justice department and has the power to order banks to open their books. What the Canadian officials ought to have realized is that this is a semi-public procedure. It is not just some secretive back-hankeywanking involving the executive judgment—the order goes to every bank director, ordering them, as part of personal liability, to freeze the accounts and disclose their contents. Such a wide distribution almost guarantees a media leak, involving as it did the controversial former PM of a G7 country.

Mulroney's request was a fishing expedition launched at the very start, not the end or even the middle of the investigation of Mulroney, whose international reputation got crushed in the process. Ottawa's plan to have the presentation of its side of the libel argument postponed could be as ridiculous as it will be if it still hasn't gathered enough evidence to make a strong case. Perhaps because it doesn't exist.

Mulroney has weakened his position somewhat by naming the government the \$80 million, prompting critics to accuse him of turning the situation into a potential money-maker.

But the former PM is well aware that the largest libel award in Canadian history, prior to a recent \$1.6-million award to the Church of Scientology, was for \$120,000.

Mulroney sources conjecture that the justice department's serial errors of judgment in handling his case have created a gross injustice that can only be alleviated if he is totally and publicly absolved. One of his former chiefs of staff, Stanley Hart, believes the case threatens the most important freedoms we have. "The main issue is the causal damage of the rights of us accused," he says. "The British system of justice, which we have in this country, in the fairest there is, because you're presumed innocent till proven guilty. The Crown has the burden of proof beyond any reasonable doubt, and yes you have the right to confront your accusers in an open court and answer their evidence. None of that has happened in this case, which has seen the justice department bring charges about its use of evidence and causal about the presumption of innocence. This should send shivers up and down our spines, worrying that, because of this case, the state can now destroy us without having the burden of proof in its possession that our system deserves."

And so it should.

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Lubricating painful knee joints
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Only you know the pain and irritation osteoarthritis of the knees can cause. Chances are, you and your doctor have tried any number of treatments. But, still, the pain and stiffness continue. That's why you should know about a new, safe and exciting alternative therapy called Synvisc. It may well provide the relief you've long been wishing for.

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BY JENNIFER WELLS

The taxi pulls out of Atlanta Airport and heads towards town, past an unfinished Olympic stadium, past the headquarters of Coca-Cola Co. You get to "Buckhead where the rich people are," the cabby observes. Rich Republicans, judging by the crowd that has gathered for an investment conference here. They move in pairs, clutching briefs, matching designer bags. Some are soloists, others sport a Brooks Brothers gold card. This is a hard-money crowd. They are long-term holders in gold, and they love the hot, when it comes, from a razzamataz in a partner stock. And so, while their political sensibilities might give the appeal of a scheduled appearance by Georgia Gov. Newt Gingrich, they are really here to teach the masses

In the wilds of Labrador, Robert Friedland struck the mother lode.

No wonder everybody wants a piece of him.

Canada's Next Billionaire

of Robert Friedland, stock-pioneer nonpareil.

Two years ago, at this very same conference, Friedland was pitching a company called Diamond Fields Resources Inc. and its bullish prospects for vacuuming diamonds off the shelves of Nambia. The following year, he was telling a very different story: of how Diamond Fields had struck the mother lode, not in Nambia but in Visey's Bay, Labrador, and not on diamonds but on a most promiscuous commodity—nickel. Hold on to your shares, delegates were told in '95. Diamond Fields was destined for takeover, and a high-priced one at that. This year, Friedland does not have to push Diamond Fields at all, because the junior company really did strike it rich on nickel, and not just run-of-the-mill rich, but the richest. And it did become a takeover target, with nickel giant Inco Ltd. of Toronto claiming the prize for \$8.4 billion. Sometimes Friedland likes to say Visey's Bay is the mine find of the half-century. Sometimes the whole century. It does not really matter. Big is big.

And so this year is cause for celebration. For Friedland, Diamond Fields has meant an increase in his net worth by about \$300 million. The stock has also made some attendees a very nice sum, including one who does not like Friedland much, but who has made a million and therefore has to give him credit for that. Another investor, Zim Boule, president of an office-furniture company in Jacksonville, Fla., says Diamond Fields didn't make him a millionaire, but it did make him the equivalent of four years' salary. He has renovated his home and bought a retirement place in Aspen. The bus in Atlanta is which stock will help investors go 10 for 1, 20 for 1, 100 for 1 on their money.

Everybody wants a piece of Robert Friedland. As more grows than any crowd, people tag on like

semen, whisper in his ear, press cards into his palms. He has not changed much since he got into this game 15 years ago. Still slender, blond, not grey. Then again, he is just 46 years of age. As usual, he is blarney-eyed from his persistent transoceanic travel, his love of the deal, his insatiable desire to trumpet his latest score. Front and centre in this year's spate is Indochina Goldfields Ltd., a would-be public company on the hunt for gold and copper in Indonesia. Friedland crafts his pronouncements, talking them up in ever-widening circles. He has been working this one up for four years. By the time the company goes public, investors will have the shares as badly as a drug addict craves a fix. Or so he hopes.

In front of a crowd maybe 100-strong, Friedland outlines the merits of Indochina. Leaning against one wall, a man named Neil Salach listens intently. Salach is chief executive of Neosar Inc., based in Atlanta. Ten Neosar has a copper project in Mongolia—get a mine, but rather a play to "heap leach" copper from the waste dumps of the Erzduu mine. Neosar will leach the copper by spreading it with an acid-based water solution, extracting the metal



Friedland in his Singapore office: irresistible dealer

from the rock. Friedland has 35 per cent of Neosar.

Outside the conference room, Salach talks enthusiastically about his new partner. "You're not looking at a billionaire wannabe," he says. "You're looking at a millionaire genuine. By the time Indochina's done, it's there."

But Friedland's story is about more than money. Last week, when Inco met its shareholders at its annual meeting, there was no trumpet voluntary accompanying the approval of the Diamond Fields takeover. There was, instead, a lawsuit. No big mining tale would be complete without one. Filed the previous week in Dallas, the suit alleges that Jean Boule, Friedland's partner in Diamond Fields, sold certain assets in the company, breaching his fiduciary duty to an incoming exploration hopeful called Endure Corp. The plaintiff includes a Dallas businessman, whom Boule has been battling in the courts for six years and the father of Kevin Beaumont, head of Fairchild Diamond. Friedland is named in the suit for "participating and consorting with Boule." Further, the suit alleges that Diamond Fields could not fulfil its financial obligations to gain credibility in the marketplace, which, in turn, injured the company's potential for value.

Through the telecoms negotiations for Visey's Bay this spring, which pitted Inco against Falconbridge Ltd. of Toronto and both companies against the furiously deal-making skills of Robert Friedland, strategies were made to settle with the American plutocrat. Eric Fryar, a Houston-based lawyer acting for the plaintiffs, says tales were artfully litigated by lawyers for Jean Boule and subsequently pursued by Diamond Fields. A typically sharpshooting Friedland says Fryar is a "pathological liar," and a source close to the case says Diamond Fields did approach John Searson, one of the litigants, with an offer of a \$1.2-million settlement in January.

Jim Maloney, Diamond Fields' counsel in Houston, says the company's position is that the lawsuit is nonsense. "We listen to Mr. Fryar's embellished tales with some interest," he says. There could be more noise in the ailing Michael Bang, a lawyer based in Denver, says his client, Lydia Tolentino, intends to sue Jean Boule within the month if he does not hand over \$600,000. Diamond Fields shares she says she is owed. Meanwhile, Adrienne Dugdale, the famed Vancouver Stock Exchange fraud-buster, phoned Fryar last week. "He's anxious to get us to hire him," says Fryar. "He apparently knows all about Robert Friedland."

The lawsuit laid a shroud around Inco's annual meeting, which is a stodgy, grey affair at the best of times. Friedland was in Singapore, doing the dog-and-goose tour for Indochina Goldfields. This week, he will be visiting Indochina to audiences in New York City, San Francisco, Vancouver and Toronto. A closely executed takeover would have advanced the corporate abolition of Robert Friedland. It has not been brought yet.

Bob Friedland, fresh from a post-workout shower, slides his feet out of his black sandals and gold-backed French loafers and curls himself up in an armchair in his Buckhead hotel suite. He has, for the time being, finished with the requisite Visey's speech, of how the ore body was not stumbled upon, but rather the result of diligent businesslike hunting, of how it is naked

that makes all those stainless forks and spoons; or how the 2½ billion people in China and India will convert to stainless as their disposable incomes rise. The pitchman's delivery betrays a fatigue with the subject matter. It is not that the Voisey's tale has in any way diminished, but rather that Friedland's manifest destiny, in his own mind, is so much bigger.

Always has been. Today, Friedland runs nothing less than an empire: offices in Vancouver, Beijing, Singapore, Jakarta. His exploration interests are spread from Zambia to South Korea to P.R.C. All of it is thematically planned to peeling explosive consumer growth in developing countries, areas where he will lever Canadian expertise in mining and oil and gas.

At the top of Friedland's corporate pyramid sits Ivanhoe Capital Corp., one of the myriad interests under Ivanhoe as Shanghai Land Corp. Through Shanghai Land, Friedland is partnered with Taiwan entrepreneur Vic De Zen and De Zen's Royal Plastics Group Ltd. Royal Plastics builds houses from panels

of moulded polyvinyl chloride, which are slipped together and fixed with concrete. They're cheap and easy to erect. "We don't cut no trees. We don't kill no life," says De Zen. "You tell me we're thing wrong."

De Zen and Friedland figure that, for a country like China, the Royal house has enormous potential. "You can envision hundreds of thousands of Chinese people building their own housing," says Friedland. "The best component is like us."

Voisey's Bay has dramatically increased Bob Friedland's ability to raise money

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The Chinese connection is typical of Friedland's venture capitalist style. While Royal Plastics holds 50 per cent of the joint venture, 12 Shanghai Land holds 40 per cent, the remaining 14 per cent is held by the Chinese Disabled Workers Federation, the chairman of the China Federation being known to be Deng Xiaoping. Deng Xiaoping is a parapsychic, and as such both of the Chinese federation he is a powerful force. Friedland not only gave the land 10 per cent of the joint venture, but 10 per cent of Shanghai Land as well. "We financed their entire participation," says Friedland. "They're a very good organization to have on our side just to get things done." Look at the numbers. "There are in China 60 million officially handicapped people. With 380 million immediate family members. Frequently, you'll find that the major of the cases or the city has a son or daughter or cousin or mother who's handicapped and who is helped by that organization," which in turn can help Shanghai Land by facilitating, say, water permits or equipment imports.

Flying through the Royal Plastics photo album, in Royal headquarters on Royal Gate Boulevard in Woodbridge, Ont., De Zen points out a ribbon-cutting ceremony in Shanghai featuring himself, Friedland and Deng Xiaoping in front of a Royal polyvinyl office complex. A factory is being built to the city's Song Jiang district, which will annually produce 450,000 square metres worth of polyvinyl walkups.

Any hopeful growth company needs impassioned, powerful investors. Royal Plastics' largest outside of management, happens to be Paul Stephens, managing director of Robertson Stephens & Co. in San Francisco. "This isn't a buffeting products company," says Stephens. "This is a global growth stock. Most

of the brokers I've met in Toronto told me that the stock was expensive at \$13 a share. So as I was buying at 13, and 14 and 15, all the Canadian stockbrokers were telling me not to buy. They'd still tell me not to buy at \$22."

How a San Francisco fund manager backs up with a Canadian entrepreneur like Vic De Zen has to do, in this case, with Robert Friedland. Stephens was with Friedland in China when he was setting up Shanghai Land. And why? Because he was already a devoted shareholder of Diamond Fields Resources. In fact, as of the spring of 1990, Stephens had 15 per cent of Diamond Fields. As Diamond Fields shares shot through the roof, the value of the holding grew to nearly 21 per cent of the fund. Under pressure from the trustee, Stephens sold a third of his shares. A year later, Stephens is clearly not happy with this decision. "We're supposed to let your funds run," he says. "I sold at \$71½. I left 50 points on the table," meaning the stock, on a pre-split basis, moved to \$80. On the other hand, "we made 35 times our investment in a two-year period of time."

Mining camp at Voisey's Bay, working east in Singapore (below), earliest deposit



Mining camp at Voisey's Bay, working east in Singapore (below), earliest deposit

Stephens, predictably, is a huge Friedland fan. He thinks it unfortunate that his friend still carries the "pitchman" label. "From the first time I met Friedland four years ago, I said you're not doing anything any different than the best venture capitalists are doing in the United States in the computer business," he says. "The job in Vancouver that big the cheap stock, take it public, and are selling their stock as is public is surprising to the press—that's what's wrong with the Canadian mining business."

Stephens sees Friedland as a visionary, and so his take on why Friedland is on the right side about Asian expansion pretty much matches Friedland's own. "You drive through China for a couple of months and you see all these people watching videotapes of the Rock and Fonzie on television, and they're crazy. You've got billions of new consumers, and they're going to want to buy McDonald's hamburgers and Nike tennis shoes, but more than anything else they're going to want to buy an air conditioner."

Surely is this Iridochea Goldfields, and something called CD Radio, an astringent commercial-free radio company. Friedland's Hawaiian-born wife, Darlene, has 20 per cent of CD Radio. Stephens is keen on its prospects. A couple of years ago, he was keeping up about a company

called Venezuela Goldfields Inc., which he bought because Friedland was behind it. As did many others. The problem was that no gold was found in the part of Venezuela where Venezuela was looking. Stephens still has 10 per cent of the company, for which he paid as high as \$8 a share. "It's two dollars and two cents today," he says heavily. But he does not fault his friend. "When the stock dropped from \$16 to \$8, the president of Venezuela, Jon Teller, was having trouble doing deals because some of the mining companies were saying, 'I don't want to get involved in a Friedland company,'" lists Friedland, it wasn't his company. "I merely helped introduce them to the opportunity."

Darlene and Robert Friedland and their very good friend Ben Johnson blow through the door of the Rockfield suite. They were off camping a Falcon 2000 business jet, which Friedland is thinking of buying. Johnson is an amateur pilot, and used to fly Friedland short in the early 1980s in a single-engine, four-passenger Mooney, looking for mining prospects. Johnson, who works as a stockbroker in Portland, Ore., says he has known Friedland since the "beta days."

Robert Friedland was born in Chicago, son of a prospecting German-born architect. By the time he hit Bowdoin College, an elite liberal arts school in Brunswick, Me., he was a smart, long-haired Vietnam War protester. That he later led an arduous journey through India before becoming a mint-chewing investment banker is as bizarre a topic for Friedland as some of those speeches he has to give.

But Friedland carries a lot of biography

New drilling results show the property could contain as much as 100 million tons of nickel, copper and cobalt—three times earlier estimates

Intra-Lot buys 25 per cent stake of the Bay's Bay project for \$525 million

Rosmont Fields stock splits 4 for 1

Terence-Jones Tech Corp. acquires 18.4 per cent of Diamond Fields for \$100 million

Further test results from Voisey's Bay indicate intersections of nickel, cobalt and copper

THE VOISEY'S BAY MOTHER LODE

Pics. in colour, of stories in Diamond Fields Resources Inc. (Prices after September, 1990, are on a pre-split basis, not reflecting a 4-for-1 stock split)

Four shareholders in a defunct Dulce mining company file a lawsuit, trying to claim to Voisey's Bay



baggage. In December, 1986, he resigned from Bowdoin for what the registrar there calls "personal reasons." His grades were in good order. He is prickly about this passage: "When I was 19 years old, I got into trouble for an involvement with LSD," he says. That offence was later expunged. "Everybody has done something that's a youthful indiscretion," he says. "When you were 17 and stole a candy bar from a store. The fact that I was an anterior posterior. That I hung around with people from the Grateful Dead. That I smoked marijuana and took LSD. When you look at the state of the union address, you see three people there: President Clinton, Vice-President Al Gore, and, in the background, you see that fellow named Newt Gingrich, who's the Speaker of the House. And all three of them in the 1980s were identified marijuana smokers or smokers."

There is no time to examine the pathology of someone who compares selling acid tabs to stealing candy bars. Friedland does have a point about a sense of limitations on past transgressions. But there is much Friedland lore that sets his apart from the moronic infidelity in which he operates.

Friedland switched to Self-Calls, in Portland. Friedland's 1984 undergraduate thesis, *Tassanee: A Human and Economic Session?*, was a supremely self-sufficient analysis of Third World politics and development. There is a symmetry between the transnational thinking of the 25-year-old college student, his penniless wanderings and the collapsing world philosophies that would enter his little-life's little-life venture-capital future.

Canada, and its free-wheeling financial markets that ease the raising of equity capital, was the place to make the cards while major resource companies because Friedland's mother birth the Alberta and Vancouver stock exchanges are choke-block with so-called shells, mortified corporations with an exchange listing. Investors, who help finance the company before it goes public, are rewarded with so-called cheap stock. Like a golden meatus, Robert Friedland came into Vancouver a New Age promoter the likes of which had not been seen before.

In the 1985 prospectus for Galactic Resources Inc., Robert Friedland is described as president of that company, a self-employed tree farmer in Gresham, Ore., and a purchaser and



The Sunnerville site, Friedland's joint venture with partner John Beale, Atlantic Mining, located in the San Juan mountains of Colorado.



De Zen outside a Royal home, reflecting the look

concept seems so right for developing countries, that his dream is no way sounds absurd.

Paul Strehmel, a San Francisco-based fund manager, calls De Zen "the Henry Ford of housing." He is astonished that Canada's fund managers, whom he finds "a little bit provincial," have not caught on to the company in a bigger way. "They all like it long term because they all want to be the investment banker. But none of them see the global vision." Which is, he says, "a company that will grow from \$600 million in revenues to \$6 billion 10 years from now." He says, "It will come from having 30 plants in China, five in India. Concrete houses in the plastic shell will be what solves the problem."

Moreover, De Zen continues to refine the Royal house look. He is pursuing dormers and skylights. His son, Jason, is planning to build a 20,000-square-foot version for himself just north of Toronto. Housing, for the De Zens, is life's centre, without which nothing holds. "When you have a house," says Vic, "you marry, get the children, create something, you use the lathe, the water, the water, you make a life. If you don't have that, you have nothing."

J.W.



Robert Friedland, John Beale, and an unidentified third person.



THE FRIEDLAND EMPIRE

Robert Friedland's major business interests (in brackets the ownership share)

INDOCHINA GOLDFIELDS LTD. (35.2%) An environmental mineral exploration and development company looking for gold and copper in Indonesia, Myanmar (formerly Burma), South Korea, Fiji and Vietnam.

DIAMOND FIELDS RESOURCES INC. (33.9%) Originally set up to explore for diamonds, the company discovered a major nickel-copper deposit near Voay's Bay in Northern Labrador in November, 1984. Last week, two shareholders approved a takeover bid for the company.

ARMADA GOLD CORP. (15% holding in Nescor Metals Inc.) Currently merging with Hesco Minerals Inc., which is advancing a copper-nickel project in northern Russia, near the Murmansk port. The proposed company, which will retain the Armada name, will become the largest iron, producer of copper and gold, with production due to begin in 1999.

HIST FIRST DYNASTY MINES LTD. (40% family held) First Dynasty's emerging interests in Indonesia, Myanmar and Kazakhstan. It also owns a gold project in the Mayo Mining District of Thailand, 700 km northeast of仰光 (Yangon).

BALKYRICH GOLD PLC (5%) A London-based company with a major interest in the Balkyrich mine in northern Kazakhstan, estimated to hold 22 million ounces of gold.

SHANGHAI LAND HOLDINGS (50%) Partnered with Royal Estates Group Ltd. and the China Desheng Pension Federation in a Shanghai-based joint venture to build residential plaza-apartment buildings.

CD RADIO
(9%) A proposed subscription-listed digital radio service currently seeking Federal Communications Commission approval in the United States. The stock is held in Charles Friedland's name.

UNDER A PLASTIC ROOF

In the form of the least version of De Zen's Royal home is one of those curmudgeonly pictures that chief executive officers like to keep about. This one is of De Zen and Argentine President Carlos Menem. Earlier this year, De Zen's Royal Plasticas Group Ltd. began construction on a factory in Buenos Aires that will soon begin spilling out the plastic panels to make houses like this one. Inside, the wood staircase sweeps, the gas fire looks hot and home-and-hearth glow; the plastic walls have been cleverly decorated with washable faux finishes. This, De Zen believes, is the lesson of the future. "Especially the lady, they love this house," he says. "It's free maintenance! You don't have to paint the house every two or three years! You forget! You forget! You do other things!"

And you would be mistaken if you called it a plastic house. That description, says De Zen, ignores the fact that the polyvinyl chloride panels are filled with concrete. Call it a Royal house. It is the smaller, lessony version that marks the growth of this suburban Toronto company. Royal has shipped its houses to Peru, to Antigua, to Japan. The company is doing grants for Havas, a school for St. Martin. With Robert Friedland, there are big plans for China. The future is limitless.

De Zen has some idea of what the future could be, and it is not small. He envisions a company three times the size of General Motors, which had sales last year of \$220 billion. That is the plan. Revenues in 1993 were \$885 million. De Zen, who served from Italy in 1988 with \$30 in his pocket, is so impassioned, and the

developer of mining properties. Galactic was Friedland's first big stock score, and his most audacious. Through Galactic he oversaw the development of the Sunnerville gold mine, in the San Juan mountains of Colorado.

In 1986, Sunnerville Consolidated Mining Co., a subsidiary of Galactic, started production at the site. Sunnerville was a heap-leach project, with cyanide used as the leaching agent to leach the gold from rock piled in a giant waste-heap plastic liner. The heap-leach idea was the early 1980s field engineer's invention, arriving dormant ore bodies too expensive to mine by conventional means. Friedland projected that Sunnerville, which had been owned and run since the late 1980s, was capable of producing 115,000 ounces of gold annually. The heap-leach facility was designed as a zero-discharge system; there was to be no runoff into the adjacent Animas River-Rio Grande watershed.

Sunnerville was plagued by problems from the start. According to documents filed with the department of health in Denver, pollutants from the leaching process were detected in water in the drain system in the summer of 1985. Between June and October of 1987 there were nine cyanide spills at Sunnerville. By the end of that year, the Water Quality Control Division of the department of health was issuing notices of violation. In September, 1988, the Environmental Protection Agency inspected the site after receiving anonymous calls about illegal discharge. The EPA warned the Water Quality Control Division to take

enforcement action, which it did the following February. By November, 1988, the company was facing \$40 million in costs for environmental stabilization. The following month, Sunnerville Consolidated declared bankruptcy. Galactic followed suit in January, 1989.

Much has since been made of the Galactic mess. A report on the site by Knight-Priest and Co., Denver based consulting engineers, documents a complex history, including degraded water conditions, that long predated the arrival of Friedland. But it also clearly notes that the activities of Sunnerville Consolidated caused further problems and soil contamination of the groundwater and metal contamination from the exposure of reactive sulphide rock.

Friedland has been saying for more than a year that he would contribute to a voluntary effort, independently orchestrated, to clean up Sunnerville. A "Good Samaritan" gesture, he calls it. But, he adds, he is not responsible for any alleged or real environmental problems at Sunnerville. And I can't say it's true." Friedland resigned as chief executive of Galactic in June, 1989. In November, he resigned his seat on the board. After Friedland departed as CEO, Galactic continued negotiations to merge with a company called Carrascoy Resources Ltd., whose CEO was Ben Johnson.

As much as Friedland would wish the Sunnerville debacle to disappear, he has played a role in keeping the story alive. The week before the Atlanta gathering, Friedland and three other former officers of Galactic filed affidavits in the Supreme Court of British Columbia trying to block the release of documents from Galactic board meetings during their watch. Included in the court filings was a 10-page federal grand jury subpoena, issued last December to a Denver law firm that once represented Galactic. The subpoena calls for the release of documents exchanged between that

law firm and Friedland and his co-defendants. It is the most glaring evidence yet that U.S. authorities, who have indicted Summittville mine manager George Buckner and environmental manager Tom Chisholm, want to find out what Friedland knew and when he knew it.

According to affidavits filed in Vancouver, Galenic's Denver counsel made a presentation to the board in June, 1990, at which Friedland was present, to report on environmental matters at a number of Galenic properties, including Summittville. In November of that year, the Denver firm billed Galenic for a memorandum that "expressly dealt with the legal liabilities of Galenic's directors."

On May 2 of this year, the trustee in bankruptcy for Consolidated Summittville pleaded guilty on behalf of the company to 40 felony counts, the majority related to the earlier discharge of unauthorized pollutants. The fine was set at \$50 million, the maximum. The plea agreement, says assistant U.S. attorney Ken Flanagan, "sets a tone that significant crimes were being committed."

Friedland maintains that "it's open to question whether any of those charges against D. occurred."

His trial date has yet been set for the proceedings against Buckner and Chisholm. Buckner has since rechristened, as a consultant to Neil Salsich's Minerex in Missoula. "Robert had nothing to do with Saveray being involved in this project," says Salsich, who met Buckner through Gerald Wyman, who, in 1987, was president of Summittville's Consolidated Mining.

After Summittville, Friedland kept his head down. There was Vengard, but he ended up washing the laundry on that one too. He never gave exonerated. "It simply didn't cut the mustard," he says of that project. "We're not God." A longtime peer, who vaguely describes Friedland as "selfish, ruthless, greedy and very nasty when he wants to be," says some investors shamed the former goldmine bar. "A lot of people wouldn't put five pennies with Friedland because he'd lagged them in the past."

On April 6, 1993, a company called Rutherglen Ventures Corp became Diamond Fields Resources Inc., which then commenced trading on the Vancouver Stock Exchange. Friedland and Boule got several million shares at 15 cents a share. When the Diamond Fields story first broke, Friedland could not have been surprised that detractors saw it as he put it, as a "promotion." The criticism was leveled not just at Friedland but at his Diamond Fields partner, Jean Boule.

It was, in fact, Jean Boule who brought the idea of a diamond mining partnership to Friedland in the first place. And while the mining crowd was very familiar with Robert Friedland, few had heard of Jean Boule.

Jean Boule is sitting round straight in his blackwood suite. He has pride in his home in Missoula, to which he moved a



With wife Barbara in Missoula, home for Christmas

Friedland has offered to help clean up Summitville

Two other companies, along with Arkansas Diamond, are still in the running to compensate the residents of the Crater of Diamonds State Park in Arkansas. The Al-Awsat investment just over \$333,000 in the project. The Stephens family of Little Rock, Ark., whose Stephens Inc. is a sort of the largest off Wall Street investment houses in the United States, took another \$300,000.

The two other companies, along with Arkansas Diamond, are still in the running to compensate the residents of the Crater of Diamonds, should Arkansas ever re-open mining again. "We did fail a preliminary job in developing the Arkansas project," says a former partner who has since had a falling-out. In the 10 years before he moved to Vancouver with Diamond Fields, Boule accumulated a mess of lawsuits, the last charges being only the latest.

At the gold miners at the Atlanta conference, Jean Boule and Robert Friedland presented the local action foundation with \$60,000 Diamond Fields shares worth \$3.2 million on that day. There will, says Friedland's public relations person, be some big decisions in Canada soon.

Tom Boule has not big-laid any of Friedland's various stock ideas this year, but nor because he has turned off the generator in any way. In the early 1980s, Boule was a Galenic shareholder. "It made a nice run," he said of the stock. "You had a chance to go 10-for-1 on your money before they had those problems with the rats."

That is the way this crowd sees it. Galenic, says Boule, was not Friedland's fault. He says he did not buy the offerings because the junior mining game has been too frenzied for so long.

"Maybe we're in the 7th inning."

The elevator takes on a load of celebrities' attention. The man has moved in. And outside on Peachtree, Atlanta's main drag, the traffic has been clogged by Friedland, a spring gathering of black college kids led each year in Atlanta.

The more elderly, and far rarer white, investment crowd is perked up by one rider's assertion that "the smartest mine here is Robert Friedland. And the luckiest." There is general murmuring agreement. The elevator stops. "All you croissants have a good evening now!"

year ago from Belize. Born in Mauritius, Boule attended school in Cape Town, and later spent the better part of a decade working for the De Beers diamond mining cartel in Zaire and Sierra Leone and in Antwerp, Belgium, before he established European Diamond Importers and Cutters in Dallas. Various Boule brothers set up business there, too, including Boule, who established De Boule Diamonds and Jewelry, an upscale Indian shop.

In 1984, Jean Boule started exploring for the gem, first in Minnesota, then in Arkansas. "I spent a little bit of time with Gov. Clinton explaining to him that this could be important to his state, and to the nation," says Boule, whose mission is retiring. His speech soft-spoken. In 1987, Boule formed a company called Arkansas Diamond Development Co., in which Boule had a one-third interest to do exploration work on the Crater of Diamonds State Park in Arkansas. The Al-Awsat invested just over \$333,000 in the project. The Stephens family of Little Rock, Ark., whose Stephens Inc. is a sort of the largest off Wall Street investment houses in the United States, took another \$300,000.

For Canadian supermodel Linda Evangelista, it is common to see her face everywhere from TV ads to magazine covers to billboards. But until now, the St. Catharines, Ontario, native has not been a model entirely unbroken. And that's the way she likes it to keep it. Last month, the National Front, an extreme-right French political group led by the controversial Jean Marie Le Pen, used a painted image of the model dressed as Jesus Christ to attract a political rally. An outraged Evangelista, her modeling agency, Elite, and designer Karl Lagerfeld, who took the photograph used to make the painting, took the Front to court. Busting the group from using Evangelista's image, the French court awarded her \$11,000 in compensation. Now the trio has launched a civil suit against the National Front for an unspecified amount in damages. A spokesman for Elite in Paris says that while Evangelista does have philosophical objections to the party, the main reason for suing was the use of her image without permission. He added, "That is the basic right of a model."

Protecting a model image

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A newcomer's deluge of offers

Canadian author Susie Moloney will not finish writing her new novel until September, and it will probably be a full year after that before it reaches bookstores. But already ready her unfinished manuscript about a drought-stricken North Dakota town that turns to a minister for relief has become the talk of *Deadline*. That is because Paramount Pictures and the production company co-owned by actor Tom Cruise, Cross-Wagner Productions, recently snapped up



Moloney: taking success in stride



Dandified, dapper, Potts from long-time practices to touring in just one year



Evangelista: 'the basic right'

A family man on the job

Canadian actor Matt Craven has attended some junky parts in Hollywood, including *Le Dave Spindrift* in 1992's *A Few Good Men* and *source*. U. Roy Zimmerman in last summer's *Concord Fife*. So when Craven, 39, auditioned for the weekly TV cap show *Aggi Ingoldsby*, the program's producer, Steven Spielberg, wanted to understand why he was switching from acting to writing. From screenwriter Sean O'Casey, who is married and has two young children, "I said I wanted to be home more for my family, and he told me that was an excellent reason."

"Being part of a large ensemble cast means that Craven, who grew up in Thorold, Ont., works just three days a week on the TV show, which ABC has packed up for a second season. Late last year, Craven's character, office Lee Bayer, has been coming to terms with the on-the-couch death of his partner, but has neglected his family. "He's just starting to realize that he has to go home and deal with his wife," says Craven. A little close to home, perhaps?



Craven: *source* interview

How much exercise is really enough?

There they sat, month after month, endlessly hunkered at their desks, gathering dust and taking up space. Of course, Montrealers Antonette De Lave and Pierre Eggeron had the best of intentions when they forked over \$1,000, each, to a gym and Nordic Track last year. But like many Canadians who vow to shape up, they soon stopped using the new equipment—running a classified ad to sell the barely used hardware. And who can blame them? With their jobs—Eggeron, 43, is an optometrist; and De Lare, 36, is a part-time occupational therapist—they have barely enough time to spend with their three small children. And then there was the torture of sticking to a routine: "The exercises were in the basement and it was not very stimulating," De Lare says. "The couple have not given up altogether; they still work out two or three times a week on a stationary bike and run in front of the television TV." "I never go to the gym," she adds. "It's something you have to do, like brushing your teeth."

Actually, North Americans are far more faithful about tooth brushing than they are about exercising. Recent surveys in Canada and the United States show that a staggering 80 to 90 per cent of North Americans fail to hit the pavement, the pool or the gym as often as they should. And how often is that? In July, the U.S. surgeon general is expected to release his long-awaited Report on Physical Activity and Health.

Experts in Canada and the United States say the influential agency will offer concrete advice on how much—and what types of—exercise are most beneficial, in case that has recently been muddled by a raft of contradictory studies. And it is expected to come down hard on people with sedentary lifestyles, warning that inactivity greatly increases the risk of heart disease, hypertension, certain cancers, diabetes and osteoporosis. "This will be a historic event, similar to the 1964 surgeon general's report that started the anti-smoking craze,"

says John Wildman, president of Toronto-area health club The Racquet Institute. "The surgeon general will probably direct doctors to prescribe exercise as a preventive measure—it will be seen as an imperative for good health, not a choice."

While Canada has no specific guidelines

on exercise, a working group that includes Health Canada, academic researchers and

ion of risk factors affecting 72,000 American women, reported in 1995 that those who are most active reduce their risk of heart attack and stroke by more than 40 per cent, compared with those who are sedentary.

While none of this is news to health professionals, experts cannot seem to agree on how much exercise is enough. Ten years ago, the official line was eight exercise for 30 minutes, three times a week or more, hard enough to work up a sweat and get the heart working at 60 to 90 per cent of its maximum capacity. In other words: no pain, no gain. But the vast majority of people just said, No way. (The percentage of heavy exercisers has remained steady for the past 25 years.) Changing tactics, re-

A raft of contradictory studies leaves people even more confused over how to get fit



Do heavy exercisers with low genetics, as shown on this gym ranger up, ship out?

so-called scientists is developing proposals to establish such recommendations following the release of the surgeon general's report. Meanwhile, any couch potato who requires more convincing need only gaze up at the mountain of research linking inactivity rates and longevity. Last year, a prestigious panel of U.S. experts published a report in the *Journal of the American Medical Association*, pointing out that lack of exercise causes a quartet of a million deaths in the United States every year. The massive Nurses' Health Study, a long-term investigation that started the anti-smoking craze,

researchers in the early 1990s concluded that virtually any exercise is better than none at all. Some studies even showed that 30 minutes of moderate activity three or four times a week carried health benefits similar to more vigorous workouts.

The Atlanta-based Centers for Disease Control and the Indianapolis-based American College of Sports Medicine adopted the new approach in 1995, then hammered the message home early last year with the formal support of every top U.S. and Canadian researcher, every adult, they said, should

participate in at least 30 minutes of moderate exercise, such as brisk walking, preferably every day. "Researchers found that the greatest health benefit occurred when people who were the least fit became at least moderately active," explains Chris Craig, president of the Ottawa-based Canadian Fitness and Lifestyle Research Institute. "That is where the real difference in mortality rates began to show up."

The case is far from closed, however.

Last month, the Lawrence Berkeley National Laboratory, a U.S. government-research center, released a report showing that sweating is the only way to stave off certain physical benefits. The study of more than 1,800 female recreational runners found that those who ran more than 65 km a week had blood levels of beneficial cholesterol 16 per cent higher than those who ran less than 15 km a week. Study author Paul T. Williams said those results translate into a 29-per-cent reduction in the risk of coronary heart disease. A handful of other recent studies—including one of 10,800 Harvard University alumni, have reached similar conclusions: the more exercise, the better, especially when it comes to extending longevity. "The Centers for Disease Control recom-

mendations show very little benefit for anybody who does much more than the moderate 30 minutes a day," says Williams. "We are saying that there are substantial benefits beyond that. There has been very little concern given in the past to people going beyond the minimum."

Among all the contradictions, it is worth noting that even some exercisers don't believe vigorous workouts are for everyone. Dan Kastan, 41, finds time to run 30 to 90 km a week, even though he has a full-time job as a financial advisor. As a government geologist and has a wife and two small children. But he runs as much for enjoyment as for his health, Kastan says, while many people seem to push themselves harder than they want or even need to. "When I see people huffing and puffing," he says, "I want to tell them to slow down, and run walking and jogging—they get the same benefit, and it's an easier route to maintain."

That theme is echoed by exercise professionals. Jack Tuazon, co-director of the Sports Medicine Clinic at the University of British Columbia, runs 60 to 70 km a week. But the 48-year-old says most people need just 30 to 40 minutes of exercise three times a week to gain significant health benefits.

Grave consequences

The simple fact is that, around 60 people lose their lives each year from the effects of inactivity, as measured in death rates from all causes for 20,000 people.

Source: International Society of Sports Medicine, American Heart Association, the results of the American Health Association

Figure: Canadian Institute for Health Information

Legend: Inactive = 0-10 km/week; Medium = 11-20 km/week; Very Fit = 21+ km/week

"They can run or walk or cycle," he says, "as long as they burn 2,100 calories a week—running or walking 21 miles would do that amount." And while Tuazon admits that more intense exercise may be better, those gains can be offset by increased risk of heart attacks and tendonitis and stress fractures. "So what may be a good way to start?" he says. "Slow walking is a good way to start."

That, of course, is not the message of the charlatans who sell home exercise machines, which fail to mention that regular use of steel requires a soft seat. Not surprisingly, a recent fitness survey by *Reader's Digest* found that 46 per cent of respondents owned sports gear—including home exercise equipment—that they rarely used. There are indications, however, that Canadians are at least trying. Government-funded surveys show that 37 per cent are now exercising enough to gain some cardiovascular benefit, up from about 27 per cent 10 years ago.

They qualify along strict the official classification, getting up a little earlier to walk to work, trying to fit 100 to 200 steps at lunchtime, or making time to throw a ball around with the kids. Modular Mably, director of membership for YMCA Canada, says he sees more families trying to fit exercise into their day, whether by pushing a child in a stroller or using a stationary bike while reading or listening to music. "The bottom line is it's in case and do something you enjoy," he suggests. "Then all the studies can come out and go and you'll know there is no magic elixir. It's mostly just a matter of common sense."

PATRICIA CHISWELL and
SHARON DOYLE DANIELSON in Toronto

Shaking up the salt wisdom

Break the salt. That's the suggestion of the leading voice of health experts, who point to the link between salt and high blood pressure—one of the major risk factors for heart disease. The leading letter of North America's top Canadian physicians and shaking up old dietary salt consumption. It is a stark departure from the preconceived notions of the American Medical Association. Ten years ago, the AMA's Task Force on Salt and Blood Pressure recommended that adults have no more than 6 g of salt a day. Now, they have cut that figure in half, with a warning of high blood pressure. The recommendation, led by Dr. Alexander Logan, head of the Mount Sinai Hospital's Salt Hypertension Clinic, claims that there is no need for healthy people to limit their

sodium intake ... we see that a policy of widespread salt reduction is unwarranted when you look at these studies," says Logan. "There is little effect on the blood pressure of healthy people."

Logan's stance is a heavy-handed reversal with the established orthodoxy. He claims that the Task Force's findings contradict the guidelines from Health Canada, the Heart and Stroke Foundation and other North American health authorities. It also conflicts with the conclusions of British and American researchers, who reported the results of a major study—known as Intersalt—five days earlier in the *British Medical Journal*. Intersalt updates a

1988 study of more than 10,000 people in 52 countries and confirms the established findings: links between salt and high blood pressure. The Intersalt researchers contend that eating less salt could prevent nearly 100,000 cases of cardiovascular disease.

Logan does not deny that there is a link between salt and high blood pressure. But he argues that Intersalt is an epidemiological, observational study, which does not prove that salt causes high blood pressure or hypertension. "In fact," he says, "there is evidence that other factors—including obesity, lack of exercise and heavy drinking—are the primary causes" of hypertension. "Don't worry about salt if you are healthy and have normal blood

pressure," Logan adds. "Watch your weight, exercise regularly, moderate alcohol intake—focus on health factors that make a difference."

Dr. George Fodor, a research scientist at the University of Ontario Heart Institute, calls the Toronto study "an interesting stimulus for discussion by scientists." But while he agrees with Logan that researchers should explore other factors that affect blood pressure, Fodor believes it is too soon to start adding more salt to the soap. And why bother? The salt will be probably there already. North Americans consume one to two teaspoons of the stuff each day—more than double what the body needs—most of it from sodium-rich processed foods.

SHARON DOYLE DANIELSON

Death in the dark streets

They are the party girls of the Queen Street track, and they wear the silkies located by prostitutes on the walk past bars or night legions, bathtubs apped down are mid-abdomen, plated hair, high-heeled soles on their feet. They laugh and cackle like another, sharing sexual insults at prostitutes and passing cars. But when asked about what happened just three nights before—the execution-style slayings of three Toronto prostitutes—they became sober and defensive. "You're not that jerk with the videotape, are you?" says a tall blond in black leather, referring to a TV news crew patrolling the area. "We've got families, you know." Another hooker, dressed all in red, joins in. "You don't want to talk to us," she says. "We're OK down here—we're safe." The blond chuckles her tongue, and raps her friend on the head. "Knock us wood," she says. The remark is meant to be funny. But to the scale of multiple murderers that have sent chills through Toronto's prostitute community, it also serves as a deeper, sadder reminder of the violence that the city's 1,000 street walkers face. For them, each survival has become a matter of chance.

For Brenda Ladigate, Shann Keegan and Thomas Williamson, hell can run on a stormy May 29, as lightning and Victoria Day fireworks lit up the city. Responding to a 911 call at 11:30 p.m., police discovered the badly beaten body of Williamson, a prostitute and drug abuser, lying face up, duly clad, on an alleyway in Toronto's west end. Just before midnight, security guards at a condominium on Bloorwood Avenue—a well-lit residential street in the downtown core frequented by tasteless hookers—found cent killings inspired perversity, anger and a certain grim resignation. "This is a tragic event," says Pamela Travers, a social worker with 506 Street Outreach Services, who has counseled prostitutes for years. "But it's not new to me that there have been murders, or beatings or slashings, or anything like this. This has been going on for decades."

Bridie Ladigate knows all about that. A seven-year prostitute for 18 years before going straight in 1993, the 40-year-old Ladigate found the body of 31-year-old Keegan, a cross-dresser and part-time prostitute, lying in a street well. Two hours later, the body of Williamson, 31, a transsexual whose street name was Dennis, was found in a basement of Bloorwood. Keegan and Ladigate had had sex in a hotel room, and a college graduate working with the Metro Police had forced her on street prostitutes to drive her in an outreach program called Off the Hook. She helped Keegan get off the street. In her time as a prostitute, Ladigate says that she has seen no hookers or who were murdered. "I don't like to say that it's an occupational hazard—and it shouldn't be," she says. "But it's a risk that anybody takes when they get into a strange vehicle."

As police continued computer files of occulted bad dates—dates who abuse or

threaten prostitutes—for suspects, they made a public request for information. A red car, they reported, was spotted near the alleyway where Ladigate's body was found. On the streets, prostitutes, police were informally advising prostitutes to be careful—which, in the trade, means working in pairs, taking down the license plate numbers of suspicious cars and telling a friend where they are going to service a client.

There are now 12 unsolved murders in the Toronto area, dating back to March, 1989; there is no indication that the first ones are related to the last three. Among street prostitutes and the support organizations that try to help them, the re-

advertisers, "says Travers. "It's a form of re-er that allows you to make names, and there's a very strong sense of family out there." For so-called trans-prostitute prostitutes—men like Williamson, who worked "Transvestite Alley" for years, and Keegan, a bisexual street kid who wore a black miniskirt and wig—hooking can empower them by validating their sexuality. "If you take some little guy who's been told since kindergarten that he's a failure in a man," explains Travers, "when they hit the streets it makes sense for them to say, 'Well, I'll try being a woman.'"

Most prostitutes—male or female—are in a complex web of violence, drugs and poverty. They live not only above from their clients, but also from their partners or pimps, many of whom live only off their earnings. And if hookers are assaulted, they are unlikely to turn to police if they do. Ladigate says, they fear beatings by other prostitutes—enforcing an unwritten rule against attacking cops. Then there are drugs. Williamson was admitted to crack cocaine—cheap and highly self-reinforcing. Ladigate, who struggled with drug and alcohol addiction for years, was expelled four months ago from a rehabilitation program. Together, these factors make getting off the street difficult—especially during a time of government cutbacks in social services and drug rehab programs. "These men and women find that they're a part of society that nobody cares about," says Metro Counsellor Judy Sigro, who chairs the prostitutes task force. "And nobody cares."

Around midnight, Pamela—her street name—stands alone on a long Toronto hallway, under the gleaming lights of a hotel. Not yet 30, Pamela has been a prostitute for the past year and a half. At first she says she has not thought much about the murders. But she acknowledges that violence is a constant threat. "We're at least one step ahead every night," she says, her eyes scanning the street for obvious cars. "Not necessarily violent, but stupid." Have they scared her? Have they made her think about getting off the street? "Yeah," Pamela says, looking around. "But here I am." And she shivers in the night air.

Three murders send a chill through Toronto's prostitutes



Williamson (left), Keegan (right): the spectre of a serial killer

Sports



Mama Ladigate stands over Roy after a Red Wings goal in Game 3; who care figure?

The long, weird road to the Stanley Cup

A hot shower and an immediately tailored suit did not dispel the sense that Paul Coffey's nose was not in the right place. Opposing teams, trying to neutralize the National Hockey League's top-scoring defenceman, had hammed off Coffey throughout the playoffs, leaving him with a badly broken nose and back spasms. But standing in the locker-room at Detroit's Joe Louis Arena, Coffey was more concerned about his team. The Wings—pre-playoffs favorites to win the Stanley Cup—needed six games to dispose of the lovable Winnipeg Jets in the first round. Thus, the crazy St. Louis Blues pushed Detroit to the seven-game limit before succumbing. And in round three, the Colorado Avalanche took the first two games in Denver. To keep their Stanley Cup hopes alive, the Wings would have to win four of the next five games against Patrick Roy, the NHL's best big-game goalie. "It's simple," Coffey said in a low, deadpan monotone. "We are going to have to play better if we hope to win."

Presumed dead, the Wings must fight for a 6-4 win in Game 3, and the turnaround begged the question: who can figure these NHL playoffs? The Florida Panthers, a three-year-old franchise still well behind its expansion ears, ousted big Eric Lindros

and the Philadelphia Flyers, the top-ranked Eastern Conference team. And what about Colorado? Longtime playoff purists as the Quebec Nordiques, the Avalanche last week seemed capable of crashing every train in its path. Then there is Roy who lost all five regular-season games against Detroit, yet appeared unbeatable early in the semifinal—only to look vulnerable again.

One thing is sure: the Stanley Cup is a hard-won prize. It takes football teams three play-off victories to win the Grey Cup. The World Series is over in three best-of-five, one-game matchups. And basketball doesn't require pads. The battle for the Stanley Cup, meanwhile, is a war of attrition that is waged on alternating nights for two intense months. Still, the players love it. "When I start the season, I am already doing everything to prepare for the playoffs," Roy says. "So when they come, my concentration is there. I feel comfortable."

This year, the pressure is on Detroit. After losing the 1995 final to New Jersey, the Wings know that anything less than the old silver bowl will not satisfy their rabid following. The skyline, roadways and streetcar windows of rusted-out Motor City bear bill-

boards, banners and posters that shout: "We want Stanley!" The team celebrates the Wings' 70th anniversary in the Willard, but has seen more arena than 1995 is the 42nd anniversary of the team's last cup triumph.

The loss of the play-off jinx declare that, to win the coveted cup, teams need talent, good health and great goalkeeping. While Colorado and the Florida Panthers were comparatively fit, the Wings and the Pittsburgh Penguins had seen their talent pools partly drained by injuries. Among others, Pittsburgh's unsung centre, Ron Francis, was sidelined with a broken foot, and in addition to Coffey, who missed Game 3, Detroit captain Steve Yzerman sat out most of two games with what was reported to be a pulled groin muscle but was rumored to be worse. In playoffs, as in war, the first casualty is the truth. Florida and Colorado also possessed the key cup ingredients—but goals. Both the Panthers' John Vanbiesbrouck and Colorado's Ray Bourque shared their high-powered opponents while boasting the ranks of their own scorelines. "We're a confident bunch of guys right now," said Avalanche captain Joe Sakic after Game 2. "Patrick Roy is just playing great for us."

Roy loves the challenge. In Montreal, where play-off glory is next to godliness, he was the last deity. As a rookie in 1986, he backstopped the Canadiens' cup triumph over the Calgary Flames. In the 1993 final, he led the blue-collar Habs over the flashy Los Angeles Kings. But after a high-profile dispute with new Montreal coach Mario Tremblay last December, Roy was abruptly traded to Colorado with winger Mike Keane for goalie Jocelyn Thibault and forward Andre Kostevich and Martin Rucinsky. At the 1995, Avalanche general manager Pierre Lacroix was looking ahead to the playoffs—as the Nordiques in 1995, the team had lost in the first round. "We leave Patrick for next year," Lacroix said last week. "It was contested that it was the move I needed to make for our team. I am very happy with the result."

Overall, Roy has delivered. He was acquired for his go-ahead attitude, and he is glad to finally get his moment to show. "I have pride," he said. "I wanted to prove people that the team did the right thing." Denver fans have even learned to pronounce his surname, which does not rhyme with boy. And given the top-heavy paydays, those fans are glad that Roy is The Man behind the mask.

JAMES DEACON

JOE CHIRLEY

PHOTOGRAPH BY GUY DUBUC

process, progress, and good health are the keys



Trent Frayne

Hockey week in Peterborough

There was a time when hockey was out of the way each year while school still lingered, but now the papers are the new boys of winter. Back in 1965 critics groused when, for the first time, the Stanley Cup final advanced into May before the Montreal Canadiens in their wacky ways, blower and visored helmets, and often adorned in spade beards like modern-day D'Artagnans.

And now in the Stanley Cup alone, there's also the Memorial Cup. This one is a wrap-up series involving the champions of this country's three major junior leagues, a hockey congaueau of 48 teams spread across Canada. It's a week-long tournament that moves annually from one league to the next, from the Quebec league with its 14 teams to the Ontario league with 17 to the Western league, also with 17.

It was Ontario's turn this year, and in the unheated little eastern Ontario city of Peterborough (population 70,000), the Cup finale and summer itself arrived during the Victoria Day weekend. Suddenly, in the wake of a seemingly endless winter, midsummer warmth burst upon a broad parking lot where came to a rink of some 4,500 seats. There, the home-town Peterborough Petes had arrived at the sudden-death final against the spiffy named Predators of Guelph, the big and aggressive Quebec league champions.

For a full three hours before this final game, fans celebrated on the parking lot. Little kids romped and older people mingled, expatiating their pale Canadian pride in this day's unusual sun. No one seemed hurried, kids in baseball caps and jeans, grownups of both genders in shorts or pants and tattered T-shirts. They were engrossed as in a carnival atmosphere of innocence, same as a broad white wet where beer and shots of beer were available in plastic cups at \$1 a pop. Outside the tent, hamburgers and hotdogs steamed in plastic cups at \$3 a pop. Outside the tent, hamburgers and hotdogs steamed in plastic cups at \$3 a pop. Outside the tent, hamburgers and hotdogs steamed in plastic cups at \$3 a pop. There was even hot soup at \$3 a bowl; pasta, beans and veggie, or creams of broccoli, Mountain, a relentless PA system blasted the throng in the congaueau of two onlookers, a never-seen group named the Agony Chorus and a recently assembled rock ensemble calling themselves the Memorial Cup Band.

Just before game time, the band leader ended the noisy orgy, crying, "It's officially pumped up enough." Earlier, the current Petes coach, Dave MacQuarrie, recalled visiting a local school. "The principal and teachers were all out at the parking lot with 500 kids cheering, 'Go, Petes,' " he said, eyes bright. "It's just a tremendous rush right now to this city."

"Hey, it's nothing like it'll be if we win," groused a uninterested parking attendant.

It wouldn't be, though. As fog drifted gently from the arena's ice

in the 28-degree heat, the Predators slowly took command and won by 4-3. Even so, the sellout home crowd stood and cheered their team at the end.

This sort of enthusiasm is not confined to Peterborough, of course. Hockey is Canada's game, and the Canadian Hockey League has become the undisputed world leader. When the annual World Junior Championships were established in 1977, the U.S.S.R. was the first four tournaments, pleased for two years when there was two more. Since then, look out! In the past nine years Canada has taken the gold medal seven times, including the past four in a row. Also, CHL graduates dominate the rosters of National Hockey League teams in the most recent calculation, there were 472 ex-CHL players in the NHL during the 1995-96 season.

Playing major, most players have the NHL as their goal, although education is emphasized by the owners. "It's a big plus," says his three years with us," said Bill Cornell, owner of the Brandon Wheat Kings. "We'll pay for his education at any university for four years. We let our players get their Grade 12. We haven't had a failure in three years."

Ed Chynoweth, the CHL president, noted that Jim Rooney, the principal of a Guelph high school and also president of the Guelph Storm, brought teachers to Peterborough so that Guelph players wouldn't fall behind in schoolwork during the tournament. "In our three leagues," said Chynoweth, "50 per cent of the players attended high school, college or university this year."

Nobody goes rich running these 48-passion Stamps Players make just \$20,000 a month, some veterans chucking as high as \$4000. That's not much by today's pro standards, but running a junior club is an expensive business, same-thickness. "It cost us \$12,000 this season," said the Wheat Kings' own, Bob Cornell, who runs a plumbing and heating business in Brandon. "In 1973, we had to Peterborough in overtime at the Memorial Cup in Guelph. It only cost \$20,000 last year, about a quarter of now. Getting in the playoffs is the trick, those extra games. But minus the playoffs and you've got to be dead-poor."

For a time during Memorial Cup week, it appeared that Bob Cornell's Brandon team would break through with the first national hockey title in the town's history, concluding a big winter for the town of 25,000. Earlier this year, Brandon University's Bobcats won the national intercollegiate fieldball championship and the Wheat Kings were the Memorial Cup tournament for the second straight year. Last year, in Kamloops, B.C., they fell to the Detroit Red Wings by 5-3 in the semifinal. This year they opened in Peterborough with victories over Guelph and the Petes, but their subsequent wins were by the aggregate. Predators are on the way to the final round. Still, Brandon was the only team among the country's 48 that finds the semifinals two springs in a row and that made owner Bob Cornell's pockets quite dry enough.

It wouldn't be, though. As fog drifted gently from the arena's ice

Symphonic Spirit

A pop band and an orchestra soar together

When the Vancouver Symphony Orchestra invited beloved home-town band Spirit of the West to join it for a few concerts, organizers Geoffroy Kelly and John Maas were determined to take full advantage of the opportunity. The two maestros—who have experimented with Cossack-influenced styles ranging from acoustic folk to electric alternative during their 13-year partnership—brought and studied as many recordings of rock-symphony collaborations as they could by their hands ends.

"For the most part, we were really disappointed," says Maas. "Most of them were releasing old material, so in your heart you're always hearing the original. When things replace a guitar line, it just sounds like a Music parody. We really wanted to avoid that."

And so they did. Maas and Kelly enlisted the help of arranger George Blundethwaite, who has worked with such industry giants as R.E.M., Jane's Addiction and Tom Cochrane, to recruit 11 original members for their gig with the VSO. Open Heart Symphony, a CD recorded almost entirely live during two sold-out shows with the VSO last spring, is the result. The band's ninth album, it was launched last week during a special concert that drew packed audiences from Guelph, Kitchener and surrounding suburbs to Vancouver's glitzy Orpheum Theatre. Before the evening was over, the orchestra and SOTW's five members—guitarist Kelly, 38, singer/guitarist Maas, 33, drummer Vince Dörich, 32, bassist Hugh McMillan, 37, and violinist and accordion player Linda McRae, 38—had brought out the grey-haired and the bobby-pinned to their feet, cheering one of the most unique musical collaborations in recent memory.

With the VSO and SOTW, Open Heart Symphony is a triumph. Since 1983, when the orchestra, saddled with a crushing debt, was forced to shut down for five months, it has attempted to broaden its appeal. "It's really important to reach a whole new sort of people who would never have come to hear the symphony otherwise," says renalaid conductor Clyde Mitchell, whose orchestra has played with such stars

as Canadian country sensations Michelle Wright and Ireland's The Chieftains—but until now has not recorded with any pop-rock artists. "We're making all kinds of new friends." SOTW, meanwhile, has enjoyed success with such albums as 1990's *Spirit* and 1993's *Patented*, both of which sold more than 300,000 copies. But the group has alienated some traditionalists with its increasingly raunchier, electric sound. Their new album represents a homecoming of sorts, a harkening of live

West to go it for a few concerts, says Maas. "We're making all kinds of new friends."

For the most part, though, the band's latest work is kinder and gentler in the post-rock-music age. Its tight-knit, earthy textures are forest-clear-cutting and aboriginal and



McMillan (left), Dörich on drums, Maas, Kelly and the VSO on inspired collaboration

times, worlds. "The songwriting carries on where we left off," says Kelly, "but the way it is presented is more detached for us." Adds Maas, "It's really a return to our acoustic instrumentation. People who reported us originally, who loved that Celtic side of us, will really like this album."

In fact, *Open Heart Symphony* is full of the bawling and bongo fun, whale-acordian and mandolin妙isms characteristic of SOTW's finest work. Two of the CD's strongest numbers are purely instrumental. *Chivalry* is a rambunctious Irish reel that, as Maas points out, expresses both the joy and melancholy of the holiday season. "And *The Miller's Daughter* is a slow, moving waltz written by Bill for his wife, Alison. Rather than simply accompanying the band—or for that matter overpowering it—the VSO is fully integrated into the mix.

Starting strings, punchy brass, rich woodwinds and driving percussion add color and texture. And Maas's unique voice, at turns soft and resonant, raw and belting, has never been in finer form.

Neither has his poetry. In *Daddy Dead*, a song about a Scotsman sent to Kelly's wife during a visit to Canada in 1991, Maas writes: "See her home is in the hall of a jet/Between the bags and the family pets/And no one comes to offer her tea/And she never saw me in my ferns."

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For the most part, though, the band's latest work is kinder and gentler in the post-rock-music age. Its tight-knit, earthy textures are forest-clear-cutting and aboriginal and

any rights. But Maas and Kelly, who now each have two young children, say that they have outgrown their sonorous politics. "Having kids, you are forced to think more angry, more philosophical. Our outlook has become more personalized," adds Kelly. "Neighborhood watch is more important than global watch." SOTW's new album does address such issues as eating disorders and suicide—although it does so with striking understatement and intelligence.

The band is looking to perform its newest material with symphonies across the country later this summer and into the fall. Meanwhile, with its powerful orchestration and Mississauga spinoffs, the *Open Heart Symphony* CD is far and away the most impressive release yet from Spirit of the West.

Canada's movie mogul Alliance is the largest truly independent producer in North America



A place in the sun

Robert Lantos and Alliance are basking in the big time

In no ordinary hotel. The price of a room begins at about \$1,300 a night. It does not take credit cards. And to guarantee a reservation during the Cannes International Film Festival, it is sometimes necessary to slip an envelope-stuffed with cash to the man behind the desk. The Hotel du Cap is where Robert Lantos, the Toronto-based chairman and CEO of Alliance Communications Corp., holds court when he attends the festival. Surrounded by acres of gardens, and sprawling along a gorgeous stretch of the French Riviera, it is not conspicuously located—it is a half-hour drive from Cannes' international film festival, with the sweep of aunciency's finger, a speedboat or a helicopter can be arranged to zip across the bay. Besides, many of the big stars and power brokers who come to Cannes prefer to keep their distance from the public. Staying at "the Cap" is a sign of cross-border pedigree—so prestigious during this year's May 9-20 festival ranged from Dustin Hoffman to Black Jacky. And an invitation to "come up to the Cap" is like a summons to Versailles.

The atmosphere is casual. Walking off from his perch, even in the chafing pool, Lantos greets a visitor and tells him to sit the entire day for his table on the terrace. Lantos always has the same table, which commands a prime spot overlooking the

sea. Under a cloudless sky, with a stiff wind blowing off the Mediterranean, it feels like the deck of a ship. A waiter places a bottle of wine in an ice bucket. Lantos finally shows up half an hour late, apologizing that he had been stalled by negotiations over the foreign rights to Alain Resnais's next movie, *The Sweet Hereafter*. The film has not yet been cast, but he says distributors are already engaged in bidding war over it.

Last year in Cannes, the same thing happened with David Cronenberg's *Couch*, which went on to become the most talked-about entry in competition at this year's festival. "We pre-sold *Couch* in three days to the whole world," says Lantos, explaining that he covered most of the film's \$5-million budget before it was shot. "And we made the deal for the U.S. right at this table." The Cap is a good place to do business, he adds. "The heads of all the Hollywood agencies are here; the studio heads are here. But that's not really why I stay here. I just love having to fight the crowds."

At the head of Canada's largest show-business empire, Lantos can afford the luxury. Alliance is by far the most important producer and distributor of film and television products in the country, with annual revenues of more than \$200 million. And by making substantial investments in artistically risky films such as *Couch*, *Lan-*

zos is making a splashy mark on cinema's world stage. After *Couch* was a controversial prize at Cannes last year, he said, "We achieved our dream scenario—to position the film as a cultist piece that everyone has to see for themselves in order to make as their own minds."

Alliance's ambitions keep escalating in scale. This week the company, in tandem with Turner Pictures, is announcing a \$15-million project to film a new version of *The Rhinoceros of Notre Dame*, starring Mandy Patinkin and Richard Harris. And an Alliance division called Le Monde Entertainment is clearing out three or four law-budget action movies a year for the international video market. Alliance has also cornered a big piece of the domestic distribution market. The Alliance Releasing logo—that twinkling and tucky panoply of quartz crystals—precedes most non-Hollywood movies that play in Canadian theaters.

In television, meanwhile, Alliance has met the demand for Canadian content by stocking CBC and CTV with more prime-time shows than any other private producer—including *EN.G.*, *Daw South*, *North of 69*, *Sharpie* (up and taking the *Falls* Atlan), which has a Los Angeles office, is also the only non-American company producing pilots for U.S. networks. It owns a 50-per-cent share of Vancouver-based Manufacture Entertainment Inc., which creates popular TV cartoons such as *Rebel*. It owns a majority interest in the specialty channel Showcase Television. And it recently presented a proposal for The History and Entertainment Network to the Canadian Radio-television and Telecommunications Commission.

Alliance is no longer just a Canadian success story. At the opening tables of the international film festival—at events like Cannes, where Alliance spent almost \$600,000 to support and promote its operations this year—it is a genuine player. It is, in fact, due to be the biggest truly independent film company in North America.

The other leading "independents"—actually owned by conglomerates—Miramax Films belongs to Disney, New Line Cinema Corp. belongs to Turner. "This industry has galvanized into much grander players over the past 10 years," says Lantos. "But there's as much danger as being a household company and ready expecting to thrive. When you're running with behemoths, you have to be at least as elephant not to get trampled."

Alliance, which went public in 1989, would be a pleasant acquisition for any conglomerate. But Lantos does not see losing control of his empire in the near future. "It's always possible," he says, "but it would be quite challenging to take over this company right now given the way shares are distributed." (Lantos and his Montreal-based partner, Alliance Releasing president Victor Loewy, own a significant stake in the company.) Then, with characteristic bravado, he adds: "Telling a conglomerate is not the only option

The other option is to build one. That is in my lifetime. I've chosen to build."

Born in Hungary, the only child of Jewish parents who barely survived the Second World War, Lantos immigrated to Hungary with his mother and father at the age of 8, then to Montreal five years later. After studying literature and communications at McGill University, he and Loewy, a fellow student, joined the film bandwagon by securing the Canadian rights to *The Best of the New York Erotic Film Festival* in 1973. Six years later, he produced his own film, *Is This a Part of Old Women*, which offended Ontario censors and became his first big success. Since then, with movies ranging from *Jakob Tshi* and *New* (1982) to *Black Rose* (1990), Lantos has fought to win artistic respect—and an audience—for Canadian cinema while expanding his company through TV production and film distribution.

Now 47, Lantos has the manner of a rough-cut: the eyes, the brash talk, the legendary libido (unattached, he is divorced from actress Jennifer Dale, with whom he has two children, ages 15 and 12). He has carved out his empire with a swagger that flies in the face of Canadian modesty. "Robert's a bonfire; let's call it a comet," says Chris Argy, a co-executive producer of *Crash*, making it clear that he regards it as a comet. "He's a rager and a fighter who has built this terrific corporation out of nothing." Bob Shaye, chairman and CEO of Great's U.S. distributor New Line, says the success of Alliance has a lot to do with Lantos's and Loewy's personalities. "They're two age-great souls with a great sense of humor and a great sense of fun," he says. "They're both good innkeepers about the commerciality of film." Lantos and Loewy have garnished good innkeepers, "but they're both a bit of a company."

Not according to Lantos, who has made it clear that he is an independent, not a conglomerate, not what defines him. "At the end of the day," says the director, "what he really wants is to do feature films that are recognized by the international community as artistically valid. What Bob Shaye strives for, and I hope one day get, is a *Crying Game*—a film made on very high artistic principles that totally breaks through commercially."

Lantos has certainly aimed high. Alliance has produced four of the Canadian films shown in the main competition at Cannes since 1989—*Jakob Tshi* and *New*, *Crash*, and this year *Crash*. It has also scored modest commercial successes with art-house hits, including Egyptian's *Amélie* and Patricia Racine's lesbian romance, *Waves Night is Falling*. In 1995 production of *Johnny Mnemonic*, a cyberpunk thriller starring Keanu Reeves, was a critical flop yet grossed a healthy \$60 million—double its budget.

Meanwhile, Alliance Releasing, which



Meike Kirchner in *Exodus: Eight Scenes*

A gallery of Alliance products

A sampling of past, present and upcoming film and television products from Alliance Communications Corp.:

Die Sache, the highest-rated Canadian drama, which recently ended its second season on CTV and CEG

Neeth of 60: which has run for four seasons on the CBC network

Exodus: Aztec Epoch 1994 hit, winner of eight Gemini Awards and numerous international awards

When Night Is Falling, Patricia Resnais's 1995 romance, winner of nine international festival awards

Johnny Mnemonic, starring Keanu Reeves, the co-producing Canadian film of 1995 *Crash*, directed and produced by David Cronenberg, winner of the 1996 Cannes Special Jury Prize

The Inheritance, Alliance and Cooperglobe/Miramax's production of the film and television rights to Louise May Alcott's long-lost memoirs.

The Sweet Hereafter, Egyptian's new film, scheduled to go into production in October

Scene from *Exodus: A winter in Cannes*



FILMS

snaps up theatrical rights for movies from around the world, dominates the distribution of independent films in Canada—doing more business than all other Canadian companies combined. It has long-term deals with three of the world's hottest boutique production houses, including Miramax (Pulp Fiction), New Line (Dumb and Dumber) and Britain's Channel 4 (The Crying Game). If she acts as a distributor abroad for non-Canadian movies, "when we get into bidding wars with some of the American independents," boasts Linton, "we lose to them. We have a certain cachet as an international distributor for independent movies."

Even Alliance's competitors express a grudging admiration. Says Steve Lazarus, vice-president of distribution at New York-based Cinema Film Properties: "By securing a stranglehold, this company has forced other Canadian distributors to be just as good or better."

Linton's avowal, however, raises eyebrows. "Give me a break," laughs a Canadian colleague after visiting him at the Cap. "He's put the Sultan of Brunei." And some smaller players question the fairness of such a prosperous company receiving public funds from the ever-shrinking coffers of Telefilm Canada. Alliance and its predecessor, ESL Entertainment Corp., have obtained about \$150 million in Telefilm funds since 1990—more than any other company.

But that is partly because Alliance has always punched on opportunities to provide Canadian content when it was required—even if it meant producing such flops as CTV's *Mount Abbot*. The company's worldwide distribution network also makes it a secure vehicle for public investment, says competitor Peter Simpson, chairman of Nantucket Entertainment Inc.: "They've played Telefilm better than anybody else. That was a key part of Robert's strategy to play the Telefilm card hard and fast."

Telefilm funds still make up 10 to 12 percent of Alliance's total production budget, but Linton insists that the figures are deceiving. "That money is concentrated in a small number of productions that are culturally driven and simply wouldn't be made without Telefilm," he says, citing CTV's *E.N.G.* and

the CBC's *Burnt Bakery Transfer*, a movie that ran in March. "Generally, they are either marginally profitable or break even." Although *E.N.G.* was eventually sold to 60 countries, says Linton, "not a single one wanted it below what was made." *North of 60* is another story that could not be proved, he adds. "A story set in a remote Canadian native community about the harsh realities of everyday life—it is not something the major broadcasters in Germany and Spain reach into their wallets for before they've seen a frame of this." But Alliance can sell the finished product by packaging it with its more mainstream fare, such as the TV movies *Graduation*, starring David Thewlis, and *Family of Gopt*, with Charles Bronson. *North of 60* has now sold in 60 countries.

Alliance's bottom line no longer depends on Telefilm. In some cases, the money is even starting to flow the other way, as the agency seeks to recoup profits from Alliance projects. Telefilm invested \$1.5 million in the \$15-million CTV budget very late in the game. "There's no need for Telefilm in a *Devil's Own* film," says Linton. "But that doesn't mean they shouldn't be involved. They will make money on *Cook*, and they made money on *Rasta*. I think it's fair for them to not only subsidize but also to reap the benefits of the filmmakers they nurture and actually make profits. We would make *Saints Row* without a dime of government money—but every government agency would like to be an investor."

Looking back on his career, however, Lazarus acknowledges that public funding has been crucial. "I live in Canada, and I don't particularly want to live in Los Angeles," he says. "But I doubt very much that I could have remained in Canada if Telefilm had not come along. The odds would have been astronomical."

In mid-conversation, Linton's attention suddenly strays as he notices an attractive woman cross the terrace. "It's sorry Dan having trouble talking," he mutters, displaying a flash of the younger Releph. Linton, the playboy Mogadishu, is too cool. "You might want to stuff yourself off the sofa." Linton has just handedly won the view. He owns the view, and as his horizons expand, he still needs to remind himself to enjoy it.



Grennberg, *Dividing the Cannes Jury*

they persuaded the jury to award a special prize, although two members who owned and the movie beneath discussion abstained from the vote.

In a bizarre moment at the awards ceremony, Coppola announced that the jury had created "a special prize for subtlety, daring and originality." Stressing that "certain members did not entirely share" his view, he awkwardly conceded that *Cook* deserved an award "even though it is trying to find some truth in the banal condition, it offended—and there is a great crassness of this, as we know." Grennberg graciously accepted the honor amid boos and whistles.

British director Mike Leigh, meanwhile,

A TRIUMPHANT CRASH LANDING

He was all ready to go home empty-handed. Then, just hours before the closing ceremonies of the Cannes International Film Festival, David Cronenberg was advised to unpack his bags and show up to receive an award. Cronenberg's *Cook*, an intriguing movie about characters who have an erotic addiction to car accidents, was clearly the most controversial movie at Cannes. Sharply dividing critics, it also creased the most heated debate in the festival jury. It was an open secret that the jury president, director Francis Ford Coppola, detested *Cook*. And just two of the 10 jury members championed it as the best Canadian film. (Asian Egyptian and Vietnamese director Tran Anh Hung, who both suggested it should win the Palme d'Or, later withdrew support from British actress Greta Scacchi and Japanese visual artist Eiko Ishioka [who worked for Coppola on Steve Soifer's *Dream*].

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FILMS



The night
of the
northern
lights

Images of fire and ice

Capturing the northern lights was an adventure

For film director Peter Mettler, it was nothing less than "the pursuit of wonder." Leading a five-speaker crew to the port town of Churchill, Man., 1,000 km north of Winnipeg, he set out to capture on film the celestial spectacle that is the aurora borealis, better known as the northern lights. But for the Toronto-based and -raised Mettler the sea-work, mid-winter shoot quickly became an infliction in coping with the harsh forces of nature that shape life in the North. The eye of his camera often pointed over and loose to one eye, while the other eye loosed shut with tears. It was impossible to take gloves off to adjust the aperture because his hands would freeze in the metal. Then, there was the matter of dressing for the cold, a multi-layered effort that included a camel-hair undershirt and long johns, a fleece shirt and pants, snow pants, a parka, parka, leather gloves and overmitts. For all of that, Mettler told *Maclean's* that he found it "a very rewarding experience to be in that kind of contact with nature."

The result of Mettler's expedition is *Pattern of Light*, a new four-part documentary now playing in Montreal and Toronto and opening soon in other major cities. In addition to its spectacular footage of the northern lights, the film is a cool meditation on nature, technology and the increasingly blurred line between reality and what is perceived to be real through the mass media.

Heavily staffed, ponderous at times, the film is leavened by a deadpan wit that is most evident during an early sequence in which the based filmmakers are waiting out a raging three-day blizzard in a converted Churchill roadhouse. With the permission of the roadhouse's Croatian-born owner, they fire a bullet hole through the wall, then spend a day watching and waiting to see if the howling wind will force enough snow drifts like the magnificently shaped forms forming outside. The experiment fails, but it gives Mettler the chance to reflect on why, in this tramped place, he and the other filmmakers have such a constant itch to be active. "Maybe we have the urge to do," he says in the film's voice-over narration, "because we are meant to create—evolving, reaching, racing, like the weather."

Pattern of Light grew out of a大象ineable conversation that Mettler, 37, had with Swiss neurologist Arnold Zweig—who eventually travelled to Churchill with the crew—1990. Zweig talked about his lifelong passion for the northern lights and his desire to see them blazed. His enthusiasm rubbed off on Mettler, an eclectic and often

culturally acclaimed director and cinematographer whose earlier works include *The Tip of the Iceberg* (1989), a feature-length drama about the exploits of a single-dish salesman, and *Footnote Pilate* (1990), a film adaptation of the stage play by Quebec City's Robert Lepage. After doing some research, Mettler settled on Churchill, a Hudson Bay community of 1,100, which he programmatically described in an interview as "perhaps the last place in the world to view the northern lights that has no place to sleep."

Mettler's documentary is a remarkable visual postcard from a corner of the country he's come to love and respect for these years, a place where trees themselves act as markers of where Churchill sits, as one of its residents puts it, at "the end of the civilized world." And from the outset, Mettler wanted the film to be much more than documenting a natural phenomenon. "We were there to live a lot, to see what kind of encounters we had and be open enough to let that come into the film," he says. By choosing Churchill he got an unexpected bonus: a three-track rail line that provides the eerie nighttime footage that bookends the film. Churchill also provided an eccentric cast of characters. In addition to the volatile, if gaunt, roadhouse keeper, there is Blago, an Inuit who loses his toes to frostbite after his So-Doo breaks down on the tundra, and Brusa, a careerist who takes seriously about reducing the urge to engage in a "blood bath"—his term for the winter hunting of arctic foxes.

But the real stars of the show, of course, are the northern lights. And when Mettler turns his camera skyward, the screen suddenly aglow with the burning, hallucinatory beauty of swirling green strands of light dancing through the subarctic night. To capture that virtuoso performance—

which scientists say is the result of heavily charged solar particles reforming energy in the form of light, but that the Inuit ascribe to the spirits of the dead playing soccer in the heavens—Mettler uses 8-time-lapse photography, compressing several hours of footage into a 10-second shot. As the director readily concedes, the result is often a distorted view of what is being filmed, demonstrating the sometimes frustrating gap between reality and image. "No matter how spectacularly you bring this experience into the theater," says Mettler, "it's not the same as standing out there in the vast desert of snow with the entire sky active." Perhaps not. But for those who cannot share directly in the experience, it is more than a reasonable facsimile.

BRIAN HERZMAN



Mettler frames a shot, dry wit

Owning up to evil

Were all Germans primed for genocide?

HITLER'S WILLING EXECUTIONERS: ORDINARY GERMANS AND THE HOLOCAUST

By Daniel Jonah Goldhagen
(Knopf, 625 pages, \$39.95)

From time to time, a book appears that—for better or worse—is overtaken by the debate that it provokes. In the case of Daniel Jonah Goldhagen's *Moral Reckoning*, that impassioned dialogue is far from over. The fascinating but flawed book masterfully harnesses any of the notions that the Holocaust's unaccountable cruelties were voluntarily—and joyously—performed by ordinary Germans, prompting the task of genocide by a long-standing "Machiavellian" strain of anti-Semitism within their culture. The praise and condemnation lobbed at the 600-page volume since its appearance earlier this spring have guaranteed its place, if not in academia, then in the on-

going transatlantic discussion about Germany's consciousness with its past.

The contention over the book began with several lauding American reviews—the New York Times tagged it a "masterpiece"—which accepted the author's and publisher's claim that Goldhagen's arguments were "revolutionary" in Holocaust studies. Others in Germany, where the book will not appear until August, immediately lashed out against a return to the cause of collective German guilt—striving from several thinkers from the leading weekly *Der Zeit* and *Der Spiegel*, publications that can not be accused of being apologetics for German history.

Elsewhere, including the University of Toronto's Michael Marrus, whom Goldhagen criticizes in his broad-brush treatment of prior scholarship, jumped in to dethrone the author. Internet chat lines (beyond Goldhagen) have sprung up linking North American professors with Euro-



Hungarian Jews at Auschwitz-Birkenau
reluctantly, and joyously performed, cruelty

peans, as well as Jews with Holocaust careers. Early this month, Goldhagen withdrew from a New York University Holocaust symposium, concerned that given the ramifications of his views, prior to the book's publication in Germany, would further distract the debate in that country.

With this situation in mind, the regimen of a prize-winning doctoral dissertation by Goldhagen, a 35-year-old professor of government and social conflict at Harvard, The author's study states that he has for the first time disproved spreading myths that the horror was perpetrated by a minority of Nazis, bent on unleashing God's wrath on the innocent. His grand thesis—so close to replacing the psychology of victimization with the ethically responsible when applied to Nazi Germany—is this: a承认ing approach. Prior scholarship, he argues, has obscured the view that otherwise rational Germans were somehow bewitched for 12 years by a magician named Hitler. Everyone is ready to believe perpetrators of other mass slaughters wanted to do it," Goldhagen said in a recent newspaper interview. "Only with Germans do we say they were obedient to authority. There is a reluctance to believe that people who are core members of Western civilization could do such a thing."

The Goldhagen focus concerns the so-called Münchener (dastardly) debate of the 1980s, which divided German intellectuals on whether the Holocaust was unique in history. And the current eruption is timely, given the post-Cold War German impulse to put the Nazi years to rest. North American readers, unfamiliar with the terms and turns of that internal debate, could easily dismiss the current German reaction to Goldhagen's book as part of a denial syndrome. And yet, the past few decades have seen copious probes of Nazism, including a groundbreaking exhibition last year in Bamberg culling the complexity of the *Wehrmacht*, the regular German army.

Goldhagen is not alone. In believing it

was going on or feared retribution if they failed to follow orders. These arguments are not as new as the author claims. What is new is Goldhagen's desire to alter the direction of Holocaust research. He begins by chastising his colleagues for an obsession with the machinery of the Nazi genocide: death trains schedules to gas chambers while ignoring the motivation of the human beings who did it. The framework of study, he argues, must shift to those who actually committed, in order to unlock the mystery of how the nation that produced *Beethoven* and Goethe seeks to take depths. Those soldiers he shows with ample evidence, were not highly centralized Nazis, but ordinary Germans whose pre-existing worldview had rendered Jews "socially dead" before they were physically exterminated.

Armed with 141 pages of footnotes, Goldhagen challenges the modern consensus that maintains the Holocaust could have happened anywhere. His main goal is to turn away from merely investigating explanations of the Holocaust—the German economy, the crushing power of totalitarian regimes, Naziism's organizational structure. Hitler's chutzpah. In so doing, he has come to the defense of the Nazi genocide—so close to replacing the psychology of victimization with the ethically responsible when applied to Nazi Germany. This is a承认ing approach. Prior scholarship, he argues, has obscured the view that otherwise rational Germans were somehow bewitched for 12 years by a magician named Hitler. Everyone is ready to believe perpetrators of other mass slaughters wanted to do it," Goldhagen said in a recent newspaper interview. "Only with Germans do we say they were obedient to authority. There is a reluctance to believe that people who are core members of Western civilization could do such a thing."

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Goldhagen has produced a powerful case study of German anti-Semitism. But

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Allan Fotheringham

Ah, the joys of New York, New York

There is nothing in the world like New York City. There is nothing in the world like New Orleans, except you. And there is nothing in the world like Paris, as we know it. But there is nothing in the world like New York.

Why mention two names on a single day? In May, having 60 days overnights, Fifth Avenue displays in all its glory the best and the worst in the most exciting, mostLayoutManager town on earth. Ladies with \$4,000 worth of silk and mosaics on their bodies resemble Togas in Leotards.

Past the elaborate metal hoarding stands, with the size of a Mercedes, they parade while harlotry's uglier side shuffles alongside. Bad taste meets good taste. Beer bellies barely covered in stockings. Tourists from Puerto Rico dressed for the beach, not Saks Fifth Avenue or Bergdorf-Goodman. Bad hair, bad beards, bad hearts, bad genes. On the most famous street in Manhattan, we walk within two blocks the best-dressed people retreat and the worst-dressed still alight.

Things are never dull in the town that never sleeps. The plot-taking summation of the year, of course, is *Primary Colors*, the "fictional" account of a presidential campaign by a candidate from an unassured southern state who has a very bright wife who screams at him in unspeakable language because of his tiny, ankle-chasing ways.

All of literate America has been mesmerized by attempting to find out the identity of the mysterious Anonymous who penned the runaway best-seller. His \$60 million assumed, the talented and tacit author can't resist tooting us even more.

She (he?)—still Anonymous—writes a preface for *The New York Town Book Review* explaining why the book was written, how the book was written, how the success of it was so surprising, blah, blah. Screeching rings a bell here. What is it? *The Usurper!* He was successfully killing off all those hallowed pretensions and certainties, but he couldn't resist himself.

When he demanded that the Times and The Washington Post print his crazed ramblings, or he would kill again, he revealed the class that led to his success. Anonymous can't stand it until he gets it? It is laid out and can star in cocktail parties attended by



all the high-priced journalists who hate the author because they didn't think of the gimmick first.

Just by scoundrel, naturally, as one you were wondering who was once the governor of that annexed southern state, the Times is the same edition with a profile of Bill Clinton describing him as "talented, articulate, intelligent, open and cerebral. Also undaunted, furnishings, obscene, debonair and self-pitying."

Moving right along, the most comfortable restaurant in a city where half the population are visitors remains Le Bistro, corner of Madison and Ford, where most of the patrons resemble bit players in a French movie. Nothing more appropriate for this role of Pasteur.

There is no wonderful season going on at the Metropolitan Museum of Art, one of the world's great galleries, described as "splendor of imperial China," the "the 18th century world" from the Neolithic period through the 18th century include "the finest examples of painting and calligraphy, jade, bronze, ceramics, lacquers."

All true, all quite fascinating, but it turns out on examination to be all from the Palace Museum in Taiwan, which some of us remember as Peking. The exhibit is supported by "The Henry Lee Foundation, Inc." Which figures. Late, the genius founder of *Time* magazine, tickled for two long decades America's heart and soul of "Red China" that was eventually reorganized by fellow Republican Richard Nixon—after Pierre Trudeau had done the same. An amiable life, or vice versa.

There is Bobbi Short, with his cute little Rep at the piano at The Carlyle, an icon of Manhattan as much as the high-kickers at Rockefeller Center. Matrons wimp into their Manhattan (they still exist, apparently) as he squeezes every emotion from Cole Porter, Ellington, Gershwin and his sister frills.

It is his 25th season at the hotel. He is a doator—the elderly widower in New York (not London) and Paris! Who does not regard the job as a summer fix through college or a rakin'-de while waiting for a new acting role. Widows in the Big Apple regard their trade as an honorable profession, something for a Mademoiselle, rather like Bill's Duke in the U.S. Senate, knowing every trick in the trade, all the more valuable because they know the tricks and never write while they're practicing them.

New York, because it so dominates financially its nation (and the world), is incredibly mobile. The Guests have fled to San Francisco, Dem Bums from Brooklyn to Los Angeles. It does not like to acknowledge that the most money-conscious on Broadway are importers from Andrew Lloyd Webberheads via London.

The Times is the final paper in the world, but the city is now down to only three papers—the other two are pitifully—while Toronto stations four dailies and London still has 10.

It's a great town—invincible by anyone outside it far about three/four days max—the energy level killing an average visitor like a wedge across the chest after that time limit.

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